The Weather

New York City and vicinity: Partly cloudy and not so warm. Showers likely. Highest temperature in mid-80's. Moderate to fresh northerly winds. Yesterday's temperature range to 9 p.m.: High 97, low 79.

THE WALL STREET JOURNAL

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Puts & Calls

They Perplex Most Investors But Brokers Coax More Trading

Stock Option Saga: Lukens Bull Makes a Killing But A Bear's Hunch Backfires

The Bowery Hides a Secret

By CARTER HENDERSON
Staff Reporter of THE WALL STREET JOURNAL

NEW YORK—At a brightly lit table cluttered with butt-brimming ashtrays, crumpled paper coffee cups, rows of telephone toggle switches and pads filled with fiscal hieroglyphics, four ulcer-prone men unleash a barrage of cryptic commands and questions.

"Buy 100 Molly," bellows a scowling Wall Street veteran hunched beneath a placard reading "The Brain." Across the table a frantic, shirt-sleeved young man yells, "You want to go to three-quarters? Why not? Gee, you want everything." A third man with a phone hugging each ear shouts "Got anything on American Bosch? Want to do something? You're a great guy to talk to, goodby."

This laconic lingo can be heard booming from the hectic eighteenth floor trading room of Filer, Schmidt & Co., the nation's biggest brokers of stock options, or "puts and calls," as they are more familiarly known to a small but fast growing group of speculators and investors who are learning about their profit—and loss—potentials.

Unmasking a Mystery

Long a deep mystery to the average investor, the gospel of puts and calls, their intricacies and opportunities, is now being spread in a campaign of edification being conducted by brokers who earn their living bringing stock option buyers and sellers together. Result: Last year options were sold on more than 5.7 million shares of stock, up a whopping 185% from a decade ago. By comparison, the total volume of trading on the New York Stock Exchange rose only 53% in the same period. And in the first half of '57, while "big board" trading was suffering a 10.6% drop, stock option sales crept up another point or two.

Stock options are negotiable contracts, paid for in advance, guaranteeing a purchaser the right to sell (that is, put) or buy (that is, call) usually 100 shares of specified stock at a fixed price during a period running from a minimum of 21 days to a year or more.

Yesterday, for example, an investor could have purchased a call on 100 shares of General Motors for $425 giving him the right to buy the stock at $46⅛ any time up to next February 3. Or he might have bought a put on 100 shares of Standard Oil of New Jersey for $350 allowing him to sell the stock at $67⅝ a share up until September 20. In each case the options could be exercised no matter what happened to the stock's market value in the interim.

What's the appeal of stock options? Why not buy or sell the stock outright?

Options, brokers point out, can be bought for only a fraction of what it would cost to purchase the stock outright. If a trader acquires a call (option to buy) on a stock whose price enjoys a substantial increase during the life of the contract, he stands to make nearly as much money as if he had purchased the stock outright originally. At this point he can demand that the person who sold him the option deliver the shares at what has become a bargain price, or he can sell this happy privilege to another trader.

If our hero instead purchases a put, (option to sell) on a stock which promptly plummets, he can then buy some shares at the depressed price on the open market and force the unlucky soul who sold him the option to take delivery at the old higher price. Or he can again peddle to another trader the joy of executing this squeeze play.

The Hunch Can Be Wrong

What if his hunches prove wrong? All he can lose is the price he paid for the call or put—a sum that usually amounts to a few dollars per share.

Brokers say the most frequently purchased stock options are call contracts that are bought mainly by speculators who have that certain feeling a corporation's securities are about to soar in value, but who don't want to risk the capital needed to buy 100 or more shares. Consider this true-life example:

On February 13, one astute stock market trader decided Lukens Steel stock was set for a sharp rise, so, for a fee of $1,250, he purchased an option from a broker here in Wall Street allowing him to buy 500 shares of the stock anytime up to April 15 for $48 a share. Lukens was selling for $46 at the time, but within a few days the price began to shoot skyward as important pieces of news concerning dividends, earnings and order backlog started streaming from Lukens' headquarters in Coatesville, Pa.

Our call-holder, a man of iron nerves, waited until the very last day, when Lukens was selling at $77½ a share. He then gleefully called for delivery of the stock at $48 from the option seller and was able to rack up a profit of more than $13,000 after deducting the cost of the contract and usual brokerage commissions. The call buyer, of course, originally could have bought his Lukens shares for cash and saved the $1,250 cost of the call, but this would have meant tying up about 20 times as much capital, and if Lukens shares had fallen in price he might have lost much more than the price of his option. As it was, at no time was his possible loss greater than the $1,250 cost of the call.

Great Expectations Dashed

It's the rare stock option that pays off so magnificently. On February 4, for instance, another investor figured something wonderful was about to happen to the stock of National Supply Co. So he bought a call on 100 shares for $150, giving him the right to call for delivery at $50 a share during the next three months

But his great expectations were unfulfilled,

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What's News—

* * *

Business and Finance

GENERAL MOTORS "overstated" cost figures on $375 million Air Force contracts, Government auditors charged. They said this "resulted in unreasonably high prices being paid by the Government." Their testimony before a House Armed Services subcommittee was called "shocking" by Chairman Hebert (D., La.).

At issue were contracts completed in April, 1955, covering production of 599 fighter planes at G.M.'s Kansas City plant. The auditors reported G.M.s' profit was $42 million, which they declared "was $17.4 million in excess of that comtemplated" in negotiations between G.M. and the Air Force.

* * *

Ford Motor Co. netted $1.30 a share in the second quarter, compared with $1.07 a share in the like 1956 period, and $1.85 a share in the first three months this year. Henry Ford II, president, ascribed the decline from the first quarter to an 8% drop in sales and costs associated with bringing out the new Edsel line. Ford's first half sales climbed 27% above the year-earlier level, topping $3 billion for the first time in any six-month period. Net rose to $3.15 a share, from $2.44 in 1956's initial half.

* * *

Spot copper advanced a half-cent in London—to the equivalent of 27.40 cents a pound—on indications that production might be choked off at six big copper mines in Northern Rhodesia. The shutdown threat stemmed from a labor dispute with the European Mineworkers Union. These properties have been producing 38,000 tons of copper monthly.

* * *

Steel production edged up for the third straight week from the year's low set at the start of July. Mills operated at 79.3% of capacity last week, and output amounted to 2,030,000 tons. The operating rate in the preceding week was 78.7%. The week before that it was 78.5%. Operations this week are scheduled at 81.2%, with production estimated at 2,079,000 tons, the American Iron & Steel Institute reported.

* * *

Republic Steel, the industry's third largest producer, racked up record sales and earnings for the first six months this year though second quarter net eased to $1.60 a share, from $1.71 a year earlier. C. M. White, president, said second quarter earnings declined because some large steel users were working off inventories accumulated prior to last summer's steel strike. But he predicted this situation would remedy itself as the third quarter progressed and the "year as a whole will measure up to our best performance."

* * *

Schenley Industries, Inc., was defeated in its attempt to overthrow the 63-year-old law which exacts a $10.50 a gallon tax on distilled spirits after eight years of aging in bonded warehouses. In Federal District Court at Pittsburgh, Judge McIlvaine dismissed the suit, suggesting Congress was the place to get relief from the statute. Schenley said the ruling would hasten Senate action on a bill to permit whiskey to stay in bond 20 years before the tax need be paid. The House has passed the measure.

* * *

National production of goods and services rose to a record rate of $433.5 billion yearly during the second quarter, the Council of Economic Advisers estimated. This was an increase of $4.4 billion, or about 1%, over the pace in the first three months this year. Growth between the first and second quarters was a little greater than the $3 billion increase between the fourth quarter of 1956 and the first quarter of 1957, but was smaller than any quarterly jump during 1956.

* * *

Company Notes—

El Paso Natural Gas—The Government sued to force El Paso to relinquish its holdings of Pacific Northwest Pipeline Corp. It contended El Paso's acquisition of Pacific Northwest earlier this year through an exchange of stock tended to lessen competition.

* * *

Markets—

Stocks—Volume 1,950,000 shares. Dow-Jones industrials 515.32, off 0.08%; rails 151.55, off 0.19%; utilities 70.53, off 0.20%. **London**—Financial Times common share index 203.1, off 0.1.

Bonds—Volume $3,080,000. Dow-Jones 40 bonds 86.64, off 0.03; high grade rails 86.91, off 0.02; speculative rails 84.55, up 0.08; utilities 85.86, off 0.05; industrials 89.26, off 0.14.

Commodities—Dow-Jones futures index 160.50, off 0.35; spot index 162.98, off 1.09.

* * *

Earnings—

	--Net Income--		--Per Com. Shr.--	
Quarter June 30:	1957	1956	1957	1956
Gabriel Co.	$242,072	$30,213	$.45	$.04
Minn. Honeywell	5,049,351	5,024,250	.77	.77
Monsanto Chemical	10,630,000	10,720,000	.49	c.50
Republic Steel	24,865,071	26,491,000	1.60	1.71
Schering Corp.	2,472,000	2,379,000	1.41	1.35
6 mos. June 30:				
Anchor Hocking	3,585,207	3,079,002	2.50	2.07
Bridgeport Brass	2,854,654	2,338,006	1.75	1.53
National Gypsum	6,220,427	8,934,684	1.57	c2.27

c-On present shares.

(Today's Index on Page 2)

* * *

World-Wide

THE SENATE VOTED 90-0 to repeal a law authorizing troop enforcement of court orders.

The amendment to the civil rights bill was sponsored by Sens. Knowland (R., Calif.) and Humphrey (D., Minn.), leaders of a coalition supporting the measure. Both Eisenhower and Attorney General Brownell have emphasized they have no intention of invoking troop power—used in the South during the reconstruction period—to enforce school or other integration.

The action apparently cleared the way for a test, probably today, on a revised amendment by Sens. Anderson (D., N.M.) and Aiken (R., Vt.) to modify section III authorizing general enforcement of civil rights. The amendment would delete a provision giving the Attorney General power to seek injunctions to enforce integration in schools and public places.

Senate sentiment appeared to be growing in support of the amendment. It would strip the civil rights bill of all enforcement powers except for voting rights.

Sen. Smith (R., N.J.) backed the Anderson-Aiken amendment, calling it "not a compromise, but constructive selectivity." Democratic leader Johnson predicted the civil rights measure would not pass unless it is limited to voting rights.

* * *

EGYPT HAS AGREED to international jurisdiction in Suez disputes, the U. N. said.

The decision was disclosed in a communication to Hammarskjold dated July 18. The U. N. said it would be transmitted to the World Court at The Hague.

Egypt's action removed one major obstacle to agreement on canal operation. It means Egypt is willing to go before the court if other parties to any dispute also recognize the court's jurisdiction.

Egypt allowed a Danish freighter to transit the canal with rice and general cargo destined for Israel, but arrested an Israeli sailor on the ship. Israeli vessels still are barred from the waterway.

President Nasser told Egypt's first revolutionary Parliament he broke a munitions monopoly of the "imperialists" by turning to the Communist bloc for weapons. This is Egypt's greatest achievement, he added, since the 1952 coup that sent King Farouk into exile and led to the Egyptian republic.

* * *

DULLES WARNED nuclear controls may become unmanageable unless a pact is signed.

The Secretary of State told the nation in a radio-TV report: "As matters are going, the time will come when the pettiest and most irresponsible dictator could get hold of weapons with which to threaten immense harm." He appealed to Russia to accept the West's disarmament proposals.

Dulles' speech—partly aimed at answering Soviet propaganda attacks—expressed guarded optimism for the prospect of a first-step accord. The Russian delegation in London "has been talking with somewhat more realism and less bombast," he added.

In London, Russia urged disarmament delegates to agree at once on a suitable period to suspend nuclear tests and the date for starting it—then settle other details. The U. S. has proposed a 10-month trial period; Russia, a two to three-year suspension.

* * *

MEANY SAID he will prefer A.F.L.-C.I.O. charges against two textile union leaders.

The federation president told the McCellan committee it had dug up evidence against United Textile Workers President Valente and Secretary-Treasurer Klenert he had long suspected but "had no way of proving." He added he now could refer the matter to the A.F.L.-C.I.O. Ethical Practices Committee.

Klenert testified last week he and Valente used $57,000 of union funds toward the purchase of new homes in 1952, but insisted there was nothing improper in the deal and that the union was repaid.

* * *

Britain said it will send military aid to the Sultan of Oman in defense of his oil-rich sheikdom. A tribal rebellion has been reported in the remote Arabian Peninsula area. Foreign Secretary Lloyd charged "outside" forces are behind the revolt but he did not elaborate. The British press alleged Saudi Arabia, a friend of the U. S., incited the uprising.

* * *

Tunisia's National Assembly was called to meet Thursday—presumably to end the monarchy of Bey Sidi Mohammed Al-Amin and set up a republic. The meeting was called by the dominant Neo-Destour Party of Premier Habib Bourguiba, who hopes to become president. Bourguiba, popular with the masses, has headed the nation since it won independence from France last year.

* * *

The U.S. Court of Appeals in New York ruled gambler Frank Costello must stand trial on a Government action seeking his denaturalization and deportation from this country. The decision came on an appeal after a Federal District judge dismissed the charges against Costello last September on the ground evidence was obtained by illegal wiretaps.

* * *

The House tentatively approved a $320 million-a-year postal pay raise bill. It would give 518,000 postal workers a yearly basic boost of $546. The measure faces a possible veto by Eisenhower, who has termed the pay hikes inflationary.

* * *

Senate and House conferees reached agreement on a compromise $33,759,850,000 defense money bill—$2,368,150,000 less than Eisenhower had requested.

* * *

Soviet Premier Bulganin and Communist Party boss Khrushchev will visit East Germany next month, the Red satellite disclosed.

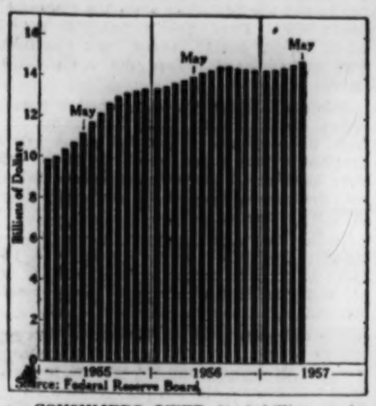
* * *

San Francisco Mayor Christopher said his city has a 90% chance to get the New York Giants and that the baseball shift will depend upon pay-as-you-see television. He also commented: "I think the Giants are irretrievably lost to New York City."

* * *

New York City roasted yesterday in 97.2-degree heat, a new high for the date. It was .1 degree cooler—or rather, less hot—than Sunday's 1957 high.

Money Owed On Cars



CONSUMERS OWED $14.9 billion on instalment purchases of automobiles at the end of May. This was an increase of $193 million during the month compared with a gain of $167 million during May, 1956. It was also the largest monthly increase since June of last year. The $14.9 billion outstanding was up $793 million from a year earlier.

War Erupts at Loew's; President Asks Ouster Of Two as Directors

Vogel Charges Tomlinson Continued Push for Control Despite Truce; Reid, Two Others Quit Board

By a WALL STREET JOURNAL *Staff Reporter*

NEW YORK—War has again broken out in Loew's, Inc., big movie maker that aimed for corporate peace by electing a compromise board of directors February 28.

The opening gun in the public fight was fired yesterday by Joseph R. Vogel, Loew's president, who issued a statement that he is calling a special stockholder meeting September 12 "to remove Joseph Tomlinson of Canada and his associate, Stanley Meyer, from the board of directors." He charged the two men were trying to take over control of the concern and their moves had hamstrung the board.

Mr. Tomlinson is a Canadian contractor, controlling about 5% of Loew's common, whose threat of a proxy fight late last year led to his gaining six representatives on the 13-member Loew's board. Mr. Meyer is a moving picture and television film executive.

Mr. Vogel also disclosed Ogden R. Reid, editor and president of the New York Herald-Tribune and chairman of Loew's executive committee, resigned from the movie company's board last week, together with Frank Pace, Jr., president of General Dynamics Corp., and George Brownell, New York lawyer. Mr. Reid was the thirteenth candidate agreed on by the management and Tomlinson factions in the spring truce. Mr. Pace and Mr. Brownell had been management nominees to the compromise board.

Neither Mr. Reid nor Mr. Pace could be reached for comment yesterday.

Brownell Gives His Reasons

Mr. Brownell said he resigned Friday from the Loew's board after learning of Mr. Reid's and Mr. Pace's plans to leave and of Mr. Vogel's intentions to call a special stockholder meeting.

He explained the law firm in which he is a member, Davis, Polk, Wardwell, Sunderland and Kiendl, is special counsel to Loew's in an antitrust case and is taking steps which have been authorized unanimously by the entire board on divorcement of Loew's theatre properties.

"My partners and I decided it would be unwise for me, under all these circumstances, in order to properly represent the company and all groups before the court, to become involved in a partisan proxy fight," Mr. Brownell said.

Mayer's Guidance Charged

In his statement, Mr. Vogel accused Mr. Tomlinson and Mr. Meyer of actively trying to seize control of the company "under the guidance of Louis B. Mayer," once head of the Loew's enterprise and whose name is the Mayer in the company's Metro-Goldwyn-Mayer picture producing organization.

"The attack inspired by this man (Mr. Mayer) and led by Tomlinson and Meyer has virtually paralyzed the ability of the board of directors to function. The policies and programs of management have been obstructed. The equity of investors is being endangered," Mr. Vogel charged.

Reached by phone in Fort Lauderdale, Fla., where he has a home, Mr. Tomlinson denied he is interested in becoming Loew's chairman. On whether he was trying to "take over" the company, he said: "I don't know what that means. I'm only interested in the welfare of Loew's and hope to continue that interest."

"Have to Be at Odds" Now

Asked whether he was at odds with Mr. Vogel, he asserted that he "had to be at odds with him after yesterday's statement." He added he "had disagreed with the Loew's president many times in the past."

Mr. Vogel said that at the September 12 meeting, holders would also be asked to enlarge the board from 13 to 19 seats and fill the new and vacant posts so that an "effective working majority of independent directors" can be given to management. "A full slate of candidates of the highest standing in their respective fields will be presented," Mr. Vogel said. He did not name the candidates.

Late last year, Mr. Tomlinson threatened to wage a proxy fight for control of the company. Among his charges were the board included too many Loew's employes. But over the space of several months, both sides agreed on a slate of 12 candidates and finally, on January 14, they selected Mr. Reid as a mutually agreeable thirteenth member.

At the annual meeting in February, stockholders approved the list.

The resignations of Mr. Pace and Mr.

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Commodity Letter

A Special Staff Report on Price and Production Trends Affecting Industry

FARM GLUTS shrink, but progress slackens and new pile-ups threaten.

Federal surplus holdings at mid-year total some $7.5 billion, 9% less than a year ago. It is the first decline in five fiscal years. Washington forecasters predict the hoard may slide to $7.3 billion by next June—a reduction of less than 3% for the year. Such loss of momentum could foreshadow a worsening of Benson's surplus headaches.

Luck helped him last year. Cold weather hurt Europe's 1956 wheat crop, helping pull U. S. wheat exports above a record 525 million bushels. But with some bumper European harvests now likely, grain traders predict U. S. 1957-58 exports may fall to 350 million bushels—maybe less if Canadian competition stiffens. Cotton exports boomed, too, as overseas mills stocked up, but pipelines now are nearly full.

Congress may eventually balk at the costly surplus disposal subsidies. Losses on the program in 1956-57 rose to $1.3 billion, up a third from the previous year.

* * *

BREAKFAST BULLETIN: Egg bargains fade as prices begin a long upward march.

Top-quality eggs now bring about 41 cents a dozen in Chicago's big wholesale market. That's a rebound of 13 cents from May's 16-year low. They're now only about two cents cheaper than a year ago. Right now, hot weather is mainly behind the price recovery. High temperatures stifle hen output and cut the percentage of good-grade eggs.

More significant is the prospect of higher prices this fall and winter. Farmers have trimmed flocks to cut losses; on July 1, there were 279 million hens-on-the-job, two million less than the year before. The tally of chicks hatched for flock replacement lags about 20% behind last year.

* * *

NEW SYNTHETICS hold a rein on prices of natural rubber.

Goodrich, Goodyear and Firestone are testing new types of man-made rubber which imitate natural's high heat resistance. Officials say this is the key to final independence from plantation rubber, which still holds a third of the U. S. market. Technicians now claim they can make the new material at prices competitive with crude rubber's New York rate of about 33 cents a pound. However, it's still more costly than the 23-cent factory tag for ordinary synthetic.

Production of the new heat-resistant types is still in the pilot stage, but some commercial output may start in two or three years. Meanwhile, the industry's latent know-how checks any major upswing of natural rubber prices. The most recent spurt occurred in 1955, when crude climbed briefly to 52 cents a pound.

Despite the new developments, rubber men admit complete U. S. dependence on synthetics is still years away.

* * *

COFFEE DRINKERS cheer as roasters leapfrog to lower prices. Big-name brands of vacuum-packed coffee are expected to jump down next. They'd follow the four-cent-a-pound cut on private retail chain labels, and last week's reduction on restaurant-type coffee. Roasters themselves are paying less for green coffee beans; Colombian mild beans are down five cents a pound since early in June.

* * *

DROUGHT SHIFTS from west to east, parching the seaboard from Virginia to New England. Observers call it the worst Eastern dry spell since 1930. Dairymen dip into feed supplies for lack of pasture. Tobacco burns in Maryland; vegetables suffer in New Jersey. Cape Cod's cranberry bogs are turning brown, causing fears of serious crop loss.

* * *

CALIFORNIA TRIMS its peach crop to minimize price cuts. The state's haul of cling peaches for processing may be 30% under earlier forecasts and 12% below last season. Strict grading and cannery dumping hold down the pack. Growers tried to head off a glut by picking green peaches from 16% of their trees, but they're still getting $5 a ton less from canners this year. Higher processing costs, though, keep prices on this year's pack at year-ago levels.

* * *

IOWA AIMS to regain its corn crown from Illinois. Drought and hail last summer broke the Hawkeye state's historic grip on the title of leading corn producer; its crop was 13% behind Illinois'. This year, Iowa's harvest is forecast at around 537 million bushels; Illinois farms may get only 430 million.

* * *

POPCORN JUMPS in price as bad weather trims production. Rain put the new crop behind schedule in key Midwest growing areas. Traders say output may fall as much as 25% below last year's harvest of 325 million pounds. The outlook has helped lift the processors' carload price of shelled yellow popcorn to about $7 a hundred pounds, 75 cents more than a year ago.

* * *

BENSON RESIGNS himself to a probable last-minute boost in the cotton price prop.

For a while, under the flexible price support formulas, it looked as if the props would flex down, as desired; Benson last February set an interim support level for the present crop at 77% of parity. That was 5½ points under the rate for the previous season, when officials voluntarily by-passed the formulas.

Announcement of the final support level may follow the Government's August 8 cotton crop forecast. What'll it be? Uncle Sam's cut-rate exports dipped deeper into surplus stocks than was foreseen in February. This should cause the complicated supply-demand formula to grind out a higher "answer," probably in the 80%-to-85% of parity range. That's close to last year's rate.

Aides indicate Benson wants to prop next year's cotton crop at 65%-to-77% of parity if Congress will let him.

* * *

INCOMPETENT WOODSMEN can save face with a new fire-starting kit. It's a plastic bagful of corn cobs, impregnated with animal grease, vegetable oils. "Kindle Kobs" are useful for starting picnic, charcoal or furnace fires; they're a lot safer than kerosene, the manufacturer says. The one-pound bags are now being marketed in the Midwest and Southwest.

Farm Revolution

Wheat Grower Kolstad Ignores Price Props But Profits Handsomely

High Yield Trims Production Cost, Offsets Government Penalty for Overplanting

Farming With 2-Way Radio

By RAY VICKER
Staff Reporter of THE WALL STREET JOURNAL

CHESTER, Mont.—Hank Kolstad is a portly, outspoken, 54-year-old wheat grower who defies Federal planting restrictions, pays a stiff penalty for his independence and still winds up making more money than farmers who follow every detail of the price prop law.

This paradox untangles because Mr. Kolstad is a big operator (9,200 acres in wheat), because he's highly mechanized ($400,000 worth of equipment) and because of the way the price support law itself is written.

Mr. Kolstad is no ordinary farmer, but his methods of tilling the soil are becoming more common among big wheat growers. Furthermore, his mastery of rural economics and technology indicates that farm legislation hasn't always kept pace with farming.

Congressmen and Administration officials are pondering a sweeping new approach to the problem of America's farm economy. This is the fourth of several articles examining the vast changes taking place on both subsidized and unsubsidized farms.

Appeal to Engineers

Perhaps nowhere has the rural technological revolution moved faster than in the wheat fields. Of all crops, none ranks higher than wheat in uniformity, small grain size, high volume and other qualities that appeal to engineers planning farm mechanization. And it is the big farmer who mechanizes most. Consider Mr. Kolstad's operation:

Airplanes sweep over the Kolstad ranch spraying bug and weed-killing chemicals; hired hands are whisked to work in distant fields by still other aircraft; huge machines plant wheat in 84-foot-wide swaths; two-way radio helps spot men and machines where they're needed most.

And consider Mr. Kolstad's cavalier approach to price supports.

His "wheat allotment," the maximum land he could plant and still qualify for Federal supports, is 5,000 acres. But, as he explains, he's "geared up" for a much larger operation so he "seeds the works," 9,200 acres.

In Department of Agriculture jargon this means nearly half his acreage is "non-compliance." And because Mr. Kolstad chooses to go his non-complying way, not a bushel of his wheat is eligible for formal support by the Government. He can not dump his wheat into Agriculture Department storage, receiving a Federal "loan" which may become in effect a fixed-price purchase.

Not So Free

Farmer Kolstad is a free-market man, selling his grain to private buyers for as good a price as he can get. But of course the price-prop law does indirectly boost the market price, which is not so free after all because the Government is like a sponge, sopping up available supplies and forcing flour mills to bid high for their wheat. In Liberty County, where Mr. Kolstad does a lot of his farming, the official wheat support price is around $2 a bushel. The market price trails not far behind; it now is around $1.86 a bushel. And since by mass-production the Kolstad costs will be kept to a slender figure of about 66 cents per bushel—including the value of his land and everything—he's in good shape. The cost figure assumes he'll get about 30 bushels to the acre, as last year, a theory which of course could always be dashed by a hailstorm.

The price-proppers, trying to police their planting restrictions, apply no fines against production on the 5,000 acres which they agree this big farmer is entitled to seed.

But the Government does wield its police powers over the 4,200 non-compliance acres. Rather gently, it turns out in the Kolstad case, though the pencil-work does get irksome before the financial penalties are determined.

First of all, the punishment applies only to the "historical average yield" of wheat on Mr. Kolstad's unapproved acres. This is calculated by a committee of local folks and Agriculture Department men, totting up harvests during the past decade and dividing them by 10. For Mr. Kolstad the figure turns out to be 13 bushels per acre.

On each of those bushels of what farmers call "hot wheat" he is obliged to pay a $1.12 penalty to the Government. Pretty stiff, but his prospective selling price is still enough greater to leave him with about 74 cents per bushel—more than sufficient to pay costs on that wheat.

The Pay-Off

But the big pay-off is this: Mr. Kolstad's actual production nowadays—vastly improved in a decade—is forecast at 30 bushels to the acre, not 13. That gives him an extra 17 bushels on each of 4,200 acres—free from penalty, free for sale. On each of the 13 penalized bushels he is perhaps making eight cents, while on each of the 17 unpunished bushels he is earning about $1.20 above production costs. And this is on land which the Government wants idle.

Mr. Kolstad is a rugged individualist who is honestly willing to take his chances on a free market. He has refused soil bank money, conservation payments and other Federal aid. A weather hazard, slashing his crop on non-compliance acres, could hurt him badly. And yet while price support legislation never goes through Congress without many a bow to "saving the family farmer" it is often the efficient large-scale operator, such as Mr. Kolstad, who unavoidably derives considerable direct or indirect benefit.

Smaller operators lacking sufficient acreage to use machines efficiently are packing up and leaving the farm despite Federal pro-

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Meany Says AFL-CIO Will Reopen Inquiry on Charge Two Textile Workers Officials Misused Union Funds

Federation Depends on Aid of Senate Unit in Fight on Corruption, He Says

By a WALL STREET JOURNAL *Staff Reporter*

WASHINGTON — A.F.L.-C.I.O. President George Meany told a friendly Special Senate Investigating Committee his big federation was depending on the Senate investigators to help it wipe out corruption in its own ranks.

The white-haired federation president disclosed that as a result of committee findings he will reopen the once-dead case of alleged misuse of union funds for personal benefit by two top officials of the United Textile Workers.

Mr. Meany refused to comment on the acquittal last Friday of Teamster Vice President James Hoffa on bribery and conspiracy charges. Mr. Meany was asked his view of Mr. Hoffa's fitness to succeed Dave Beck as Teamster president.

It is known Mr. Meany and the A.F.L.-C.I.O. Executive Council would oppose Mr. Hoffa's election as Teamster boss. But yesterday, all the A.F.L.-C.I.O. chief would say was, "I wouldn't care to comment."

Teamster Case Under Study

He said the case of the Teamsters Union is before the Federation's Ethical Practices Committee. The Executive Council has already fired Mr. Beck as a member and as a federation vice president and is now looking into charges of corruption in the Teamsters Union.

"We are investigating a great many people besides Beck," Mr. Meany told the committee. "As a member of the Ethical Practices Committee I more or less will have to sit in judgment on these people, so I don't want to comment" on Mr. Hoffa.

In his first face-to-face session with the Senate group, the stocky, red-faced union leader reaffirmed the pledge of cooperation he made earlier in the year, when many Teamster and other union officials were questioning the committee's right to look into alleged labor racketeering.

Mr. Meany described how the A.F.L.-C.I.O. has steadily increased its own power to deal with wrongdoings among the individual unions that comprise the federation. Still, he said, the A.F.L.-C.I.O. is not a law enforcement agency and is severely limited in unearthing and proving union corruption.

That is where the Senate investigators come in, he added.

Mr. Meany even raised some questions as to what the A.F.L.-C.I.O. could do once it proves corruption. All the Federation can do is expel a union, "throw them out of the club," he said. Some unions expelled from the A.F.L.-C.I.O., he noted, are still operating full blast.

He cited the International Longshoremen Association, operating with the same officials at the helm that were accused of corruption when the organization was tossed out of the federation in 1953. Even so, Mr. Meany added as an afterthought, the treatment of individual members of the I.L.A. has greatly improved.

Actually, Mr. Meany was called to testify on his discovery in 1952 of the alleged misuse of Textile Workers Union funds by President Anthony Valente and Secretary-Treasurer Lloyd Klenert. The federation boss gave a detailed description of his then unsuccessful efforts to force the Textile Workers executive council to act itself against its union's two leaders.

But the committee's questioning of Mr. Meany soon took a broader turn, dealing with the A.F.L.-C.I.O.'s general effort and powers to act against corrupt unions and officials. For practically the first time since the committee heard about Dave Beck's financial adventures, the big Senate caucus room was filled with an audience to see the A.F.L.-C.I.O. chief.

When Mr. Meany was summoned to appear before the committee, there were indications from some members that the group might give him a hard time. But all the lawmakers were generally friendly and seemed satisfied with the answers he gave. He was on the stand little more than an hour.

In that hour, Mr. Meany painted a picture before the committee of the A.F.L.-C.I.O., because of its very structure, being limited in its ability to pursue corruption among member unions.

For example, when the Textile Workers executive council in January, 1953, "whitewashed" Mr. Valente and Mr. Klenert, he said, there was nothing else the A.F.L. could do.

Since then, Mr. Meany said, the A.F.L. and the merged A.F.L.-C.I.O. have been assuming more and more power over individual unions. But even the adoption last January of the ethical practices code, he testified, was considered "a drastic step."

"In effect," he went on, "we have demanded the surrender of part of the autonomy of individual unions. Remember, the A.F.L.-C.I.O. is a voluntary organization, created by the unions and not the other way around. The A.F.L.-C.I.O. merely has the power voted to it by its founders."

"No Law Enforcement Agency"

With these powers, the union leader declared, the federation is "no law enforcement agency. We have no way, like this committee has, of going into a Seattle bank and finding out about business of one of its customers." This was a reference to testimony furnished the committee by a Seattle bank about Dave Beck's financial matters.

It was at this point that Mr. Meany disclosed he was going to reopen the investigation of Mr. Valente's and Mr. Klenert's financial doings.

"The matter was closed in January, 1953," he said, "by action of the Textile Workers executive council giving Valente and Klenert a complete whitewash."

"But now," Mr. Meany asserted, "I am going to reopen the case before the Ethical Practice Committee because this committee (the Senate group) has developed things under oath that we couldn't develop in our investigation."

"For example, we were told flatly that no union money was improperly used. But the testimony here is that money was improperly used. And you even have an admission that money was improperly used for personal benefit."

The International Executive Council of the Textile Workers Union met here over the weekend and wrote off the charges against Mr. Valente and Mr. Klenert. In an announcement, the council noted it investigated the accusations after they had arisen in 1952 and found them to be "politically motivated" and "erroneous."

The council also reported it worked up its own ethical practices code, whose text would be made public in a day or two.

Klenert Statement

Mr. Klenert has admitted that $57,000 of union funds went to help pay for the two homes. But he claimed this was the union's way of saving the money for possible future use so that it would be hidden from certain new members flooding into the union in 1952.

At the outset of the hearings, Mr. Meany was allowed, with few interruptions, to describe his role in the Textile Workers case. According to the union leader it went this way:

In late May, 1952, the United Textile Workers, an A.F.L. affiliate, announced an alliance with a dissident group of members of the Textile Workers Union, a C.I.O. outfit. In June, "Valente and Klenert came in to see me about a loan." At that time, Mr. Meany was secretary-treasurer of the A.F.L.

"I at that time asked about the union's own financial position. They said they were spending considerable of their own money on organizing" the dissident workers. "I suggested they give me a union financial statement before I would put the matter before the A.F.L. Executive Council.

At an Executive Council meeting that summer, "they brought the financial statement with them covering four months, March to June." Mr. Meany looked the statement over that night and the next morning "I contacted them and I said I thought it was a phony report. It was not an honest report."

Mr. Meany explained he first grew suspicious over the sudden jump in spending for "organization" reported for May. In that month, the report said the union spent $119,000 on organizing work, three times the level of spending in April.

"The thing that struck me," Mr. Meany said, was that the alliance with the C.I.O. group came in late May. "I didn't see how they could have used so much money for a campaign that hardly got under way until June 1."

Second Statement Questioned

Later on, the A.F.L.-C.I.O. head testified, a new financial statement for the March-June period was filed and this, he claimed, "was an admission the first report was not a proper one." Even this second report had some questionable items, Mr. Meany testified. So in September, 1952, he submitted the entire matter to the A.F.L. Executive Council. Traditionally, the A.F.L. followed a policy of keeping its nose out of the affairs of individual unions but under Mr. Meany's insistence, he said, an exception was made this time.

A subcommittee of the A.F.L. Executive Council was set up and made all the information it had available to the Textile Workers executive council at a special meeting. The next January, Mr. Meany related, he received word the Textile Workers board had found that none of the union's money had been misused.

"I still suspected the money wasn't used properly, but there was no way I could prove it."

In answer to a question by Committee Counsel Kennedy, Mr. Meany said the Textile Union board's action "disturbed me a great deal. I was naive. I felt that all that was necessary was to acquaint the board with the misuse of funds and that they would take steps themselves to correct it. I was too optimistic."

Action on ILA Cited

Mr. Kennedy wanted to know why no further steps against the two union officials were taken by the A.F.L. Replied Mr. Meany, "At that time, the A.F.L. policy was not to interfere with the affairs of individual unions. There was nothing further we could do about it." But later on, he added, the A.F.L. "did assert more authority over its unions." He cited the expulsion of the International Longshoremen's Association in September 1953 as the "first case on the record in which the A.F.L. asserted it had the right to look into the affairs of its international unions on matters of corruption."

As part of its merger with the C.I.O., Mr. Meany said, "We went much further. We now have constitutional authority implemented by our code of ethical practices." This code provides strict rules of conduct to be followed by unions and officials.

Chairman McClellan asked if the code would be retroactive to apply to corruption before its adoption in January. "I'm sure it will," Mr. Meany answered.

Sen. Goldwater (R., Ariz.) wanted to know about nine officials of the United Auto Workers who have taken the Fifth Amendment in refusing to say whether they belonged to the Communist Party and were not removed from office. The ethical practices code provides for the removal of officials who take the Fifth Amendment under most circumstances.

Memo From Reuther

Mr. Meany said he has received a long memo from U.A.W. President Reuther outlining procedures to be followed in dealing with such officials. "I'm sure the U.A.W. will follow the principles set down by the A.F.L.-C.I.O. and by the U.A.W. itself. "I am quite sure those cases are in the works."

Sen. Mundt (R., S.D.) asked whether, under the ethical practices code, union officials convicted of extortion and violence must be booted out. He said the committee has found cases where such officials are still in office. The committee has shown that Teamster and other union officials in the Scranton, Pa., area, who have been convicted of extorting money from businessmen and of bombing homes to force contractors to unionize their workers, are still in office.

The A.F.L.-C.I.O. president said he did not want to make a blanket decision without looking into the circumstances, "but off-hand I would say union leaders convicted of extortion and violence should not hold office."

Today's Index

Regular Features

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Tuesday, July 23, 1957

Rep. Hebert Charges GM With Cost "Manipulation" In $375 Million Air Force Contract Granted in 1952

Agency Puts Excess Profit at $17,459,200; Company Says It Was "Reasonable"

By a WALL STREET JOURNAL *Staff Reporter*

WASHINGTON—Chairman Hebert (D., La.) of a House Armed Services subcommittee accused General Motors Corp. of "manipulation" that "borders on actual fraud" in cost figures involved in an Air Force plane contract.

But Rep. Osmers, a New Jersey Republican subcommittee member, accused Mr. Hebert of conducting a "headline-hopping expedition" and of making "intemperate" and unsupported charges.

At issue was a just-completed audit by the General Accounting Office of a contract awarded to G.M. by the Air Force in April, 1952. G.A.O. officials appeared before the panel to explain the audit, which was transferred to the House by Comptroller General Joseph Campbell over the week-end.

The $375.9 million contract, completed in April, 1955, covered the production of 599 F-84-F fighter planes at G.M.'s Buick, Oldsmobile and Pontiac assembly division at Kansas City, Kans. G.M.'s profit on the work totaled $42.2 million, or 12.65% of its costs, according to the G.A.O. The agency watches over Government spending for Congress.

The G.M. profit, according to a letter from Mr. Campbell to House Speaker Rayburn prefacing the study, was "$17,459,200 in excess of that contemplated" in price-redetermination negotiations between G.M. and the Air Force. Moreover, Mr. Campbell said, "our examinations disclosed overestimates totaling $8,322,000 in the contractor's (G.M.'s) proposed prices Air Force procurement officials.

GM Defends Profit Margin

In Detroit, General Motors said its profit rate on the contract was "reasonable," and put it at 5.4% of sales, after income taxes. It said complete cost and profit data had on two occasions been supplied to Congress and the Government.

Lawrence J. Powers, director of the G.A.O.'s defense accounting and auditing division, appeared before the subcommittee with other G.A.O. officials to explain the audit.

Part of the $17,459,000 of "excess" profits were due to G.M.'s "good performance" and were not questioned, Mr. Powers said. But some $8,322,000 of it was due to "overestimates" of costs. These included $4,500,000 for overhead later found to be unnecessary and G.M.'s failure to mention in the redetermination talks $1,700,000 of savings on the price of parts from subcontractors, the official added.

G.M.'s "excessive estimates on the fighter plane contract," Mr. Powers said, resulted in "unreasonably high prices being paid by the Government." The price-redetermination talks took place in September, 1954, and March, 1955, after G.M. had produced an initial 71 planes. Purpose of the discussions was to set a price for the remaining 528 craft.

At the time of the talks, Mr. Powers said, the $1,700,000 reduction in subcontractors, prices "was known to the contractor (G.M.) "but not brought to the attention of Air Force procurement officials. Later he noted that G.M. in the meantime had separately sent to the Air Force lists of all its final subcontract prices, so that "the information was available to the Air Force at the time."

Mr. Hebert charged G.M.'s conduct represented a "manipulation of figures" that was "shocking to say the least." Referring specifically to the $1,700,000 item, Mr. Herbert said, "If a little businessman did this we would accuse him of keeping two sets of books."

Air Force Role Questioned

Mr. Powers said he was "not in a position to say" whether there had been any manipulation of figures by G.M. Later, under questioning by Republican members of the subcommittee, he agreed Air Force men who conducted the price-redetermination talks were at fault for not challenging G.M. on the alleged overestimates. He agreed with Mr. Osmers that it is "reasonable to assume" that when the whole contract is reviewed by the Federal subcontractors prices and had to protect itself returned to the government by the auto maker.

He said the Air Force has asked G.M. three times to return the $1,700,000 of savings on subcontracting "as a matter of principle," but the auto maker has refused on the grounds it had to provide for possible increases in subcontractors, prices and had to protect itself against possible termination of the F-84-F airplane contract by the Air Force.

Mr. Osmers toward the close of the session made his "headline-hopping charges." Accusing the subcommittee of departing from its announced subject—aircraft engine makers, profits on military contracts—he declared the panel is "pretty far from our mark" to "impugn the honesty" of any company and to make charges "against people who can't defend themselves."

It is a "great abuse" of investigative power, Mr. Osmers charged, to accuse a large publicly-held corporation whose dealings with the military are available for government inspection of "engaging in fraud" to gain an extra $1,700,000 for itself.

To this Mr. Hebert replied that his "is not a headline-seeking committee and never has been." He denied his statements were intemperate.

The subcommittee last week began its investigation into airplane engine makers, profits on military contracts. It had been slated to hear testimony from Air Force officials on the shifting of work from Studebaker-Packard Corp. to Curtiss-Wright Corp. a year ago. But the lawmakers instead shifted their attention to the G.A.O. audit. Mr. Hebert said chairman Vinson (D., Ga.) of the full Armed Services Committee had directed the group to hear the G.A.O. officials immediately because it bears on a bill by Mr. Vinson to "correct many abuses" in negotiated contracts. Mr. Hebert said G.M.'s actions in this case shows the "failure of the negotiating system" in its present form.

During the course of the testimony, Mr. Hebert threatened to use his group powers to compel G.M. to supply G.A.O. auditors with cost data on another of its contracts undergoing scrutiny—an Army tank contract awarded to its Cadillac division. G.M., Mr. Powers said, has refused to give all the requested information on the grounds the law doesn't require such disclosure until the contract is completed.

"As of the moment," Mr. Powers said, "we have been refused" access to the information, and his agency is still awaiting a reply to two letters from Mr. Campbell to G.M. President Harlow Curtice, dated April 26 and June 3, requesting the data.

GM's Statement

By a WALL STREET JOURNAL *Staff Reporter*

DETROIT—A General Motors Corp. spokesman said "the contract for the manufacture of F-84F fighter planes was completed by the Buick-Oldsmobile-Pontiac assembly division of General Motors Corp. to the satisfaction of the air force over two years ago, May 1955.

"General Motors' profit on this entire contract was 11.3% of sales before income taxes and 5.4% after taxes. This is a reasonable rate of profit and substantially below the rate of profit realized by General Motors on its commercial business.

"Details of this contract have been a matter of public record for nearly two years.

"As a matter of fact, as early as September, 1955, General Motors supplied detailed cost and profit data on this particular contract to this same subcommittee of the House Armed Services Committee. The data was supplied at the request of the House Committee which at that time was examining cost and profit data in the entire airframe industry.

"Again on June 18 of this year General Motors replied in great detail to the Comptroller General of the United States in regard to a report to Congress that the General Accounting Office was proposing to make in regard to this contract.

"In our letter we requested that the information contained in it, along with records attached to it, be made a part of any report to Congress on this contract. We are certain that an examination of the complete record will confirm that General Motors' price on this contract to the Government and the profit accruing from it was fair and reasonable."

Florida Hotel Expanding

MIAMI BEACH—A $1,500,000 addition to the auditorium and display facilities of the Americana Hotel here is under construction.

The 76,000 square foot addition will raise the meeting and exhibit area at the Americana to over 120,000 square feet, more than any other hotel in the nation, according to Charles T. Craddock, vice president and general manager of the hotel. Meetings of 15,000 people can be accommodated in the enlarged facilities, Mr. Craddock said.

Folsom Sees No School Bill From Senate in '57, Hopeful House Will Act

Cabinet Officer Says Passage by House Would Help Chances For Construction Plan in '58

By a WALL STREET JOURNAL *Staff Reporter*

WASHINGTON — Health, Education and Welfare Secretary Folsom said he had "no illusions" the Senate will pass a school construction bill this year, but he hoped for better success in the House.

"If we get it through the House," Mr. Folsom told a news conference, "it won't be so difficult to get it through the Senate next year."

The House is expected to take up the multi-billion-dollar Federal school construction bill this week. Despite Mr. Folsom's optimism, it's generally expected the measure will be defeated.

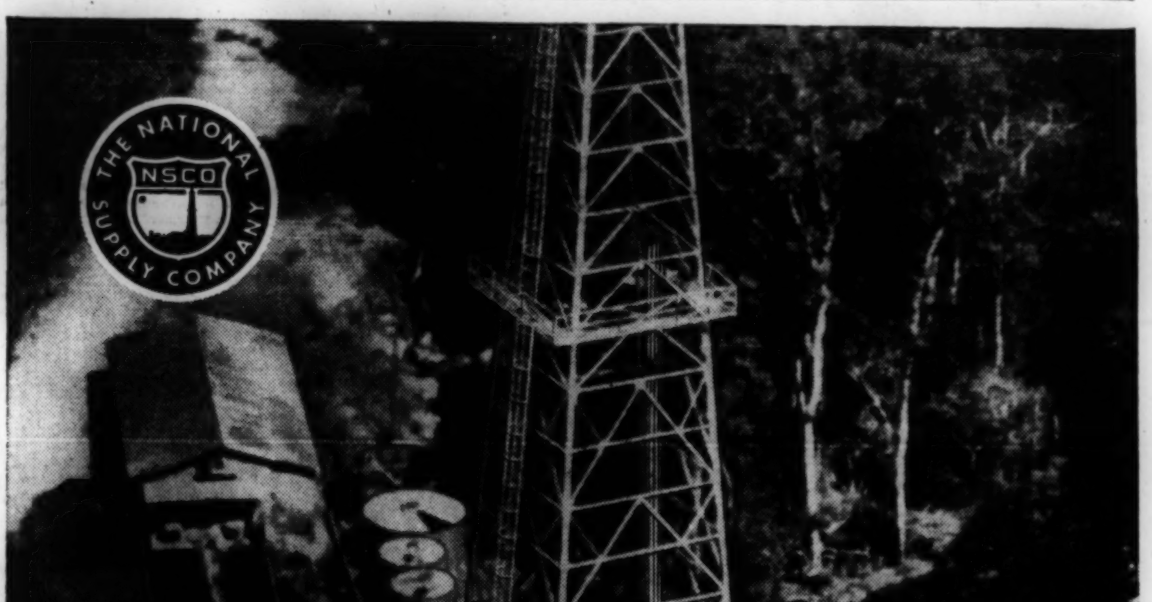
While his press conference was designed to give another Administration plug to Federal school construction aid, Mr. Folsom also told reporters the social security fund would run into the red sooner than expected.

However, he said the fund was on a "very sound basis" and he did not believe social security taxes would have to be increased any more than now called for under present law.

Mr. Folsom said he hoped contributions would just about match benefit payments this year. But, he added, it looked as if benefits would almost surely run above contributions in both calendar 1958 and calendar 1959. The secretary noted payroll tax rates go up in 1960, and predicted the added revenue would put the fund into the black again.

Fund managers all along had expected a deficit in 1959, Mr. Folsom declared, but 1957 and 1958 results will come as something of a surprise. He said benefits had risen sharply because of unexpectedly high payments to women retiring at age 62 under last year's changes in the social security law, and a large number of claims from farmers. Contributions are also lagging, he noted, but could give no reason for this fact.

Mr. Folsom staunchly defended Federal aid to school construction against almost every attack it's faced in the past several months. He argued education was not the place to economize on Federal spending. "I know of no more economical investment than in the education of children," he declared. "Certainly the richest nation on earth can afford adequate classrooms for its children."



Government Files Antitrust Suit Against El Paso Natural Gas Merger

Court Asked to Order Firm To Give Up Control of Pacific Northwest Pipeline

By a WALL STREET JOURNAL *Staff Reporter*

WASHINGTON — The Government sued to force El Paso Natural Gas Co. to give up control of Pacific Northwest Pipeline Corp.

El Paso gained control of Pacific Northwest earlier this year through an exchange of stock. It was said to be the biggest pipeline merger in the nation's history.

A civil antitrust suit filed in U. S. District Court in Salt Lake City charged the merger may lessen competition or tend to create a monopoly.

The Government asked the court to force El Paso to get rid of its Pacific Northwest holdings.

Injunction Is Threatened

The Justice Department also warned it will seek an injunction if the two companies make any further effort to scramble their assets or securities.

El Paso declined to comment on the action because it hadn't received a copy of the Government's complaint. A spokesman for Pacific Northwest said the combination was "in the public interest."

The complaint marks the first time the Justice Department has moved against a pipeline merger. Such transactions are normally subject to regulation by the Federal Power Commission, but that agency was powerless to do anything about the El Paso-Pacific Northwest merger.

The commisson has veto power over any pipeline company asset purchases. But it has no control over the person or company that buys stock in a pipeline company, unless there is a change in the operating procedures or a transfer of facilities. There were to be no such changes in El Paso's relations with Pacific Northwest.

Exchange of Shares

According to the complaint, El Paso has held "more than 99% of Pacific Northwest's stock since early this year. The El Paso, Texas, concern made the transaction by exchanging 14 shares of its class B common stock for each eight shares of Pacific Northwest common.

The F.P.C. did not have to approve the stock transaction because Pacific Northwest was to remain a separate operating company.

Trustbusters, it's understood, felt El Paso and Pacific Northwest purposely dealt in stock to avoid the F.P.C.'s jurisdiction. F.P.C. officials had privately expressed concern over the possible anti-competitive effect of the merger. They also claimed most pipeline companies voluntarily submit their stock acquisition plans for commission approval.

A top Justice Department official termed the complaint "an answer to critics who think the Eisenhower Administration is opposed to regulation of the natural gas industry." The Administration has endorsed a bill, recently approved by the House Commerce Committee, to ease the regulatory burden on independent natural gas producers—those not affiliated with an interstate pipeline.

Even if the F.P.C. gives up some of its regulatory duties, the official said, the Justice Department can still attack anticompetitive influences in the gas industry.

"Antitrust is the sole form of government action that can be used to obviate the need for government regulation," he asserted. "It can make free markets work, thus eliminating the need for public utility regulation."

El Paso officials claimed the merger would result in more efficient utilization of gas resources and more effective service to customers of both companies through economies of production. But the Justice Department's action attacked an alleged lessening of actual and potential competition through the merger.

Trustbusters claim the merger would reduce actual competition between El Paso and Pacific Northwest for gas produced in the San Juan Basin of northern New Mexico and other basins. They also contended the merger would eliminate potential competition between the two companies for the lucrative California gas market.

Specific Charges

The complaint specifically charged that the merger:

Brings the only two major pipelines in the West under "common ownership and control."

Results in common ownership of the only two major pipelines buying gas in the vast San Juan field.

Gives El Paso "permanent access" to the Canadian gas sources that will be tapped starting this fall by Pacific Northwest, and eliminates competition for Canadian gas.

Eliminates actual and potential competition between the two companies in the exploration, production, purchase and sale of natural gas.

Eliminates Pacific Northwest as a competitive factor in the gas supply business in the West.

El Paso, the nation's second largest pipeline company, had total assets of $909.5 million and operating revenues of $221.5 million in 1956. Its 6,700 miles of pipeline carry gas from fields in West Texas and New Mexico to customers in the Southwest and California.

The Justice Department said the company owns more gas reserves than any other pipeline, and is the sixth largest gas producer. In 1955, the complaint added, El Paso furnished 60% of California's gas needs, deriving three-quarters of its income from sales to California companies.

Pacific Northwest, a relatively young transmission concern, went into business last year. It eventually hopes to import substantial amounts of gas from Canada, but so far gets most of its gas from the San Juan basin, also used by El Paso.

The Government said Pacific Northwest, a Salt Lake City concern, owns 2,300 miles of pipeline stretching from the San Juan basin to the Canadian border of Washington State. The company has $248.4 million in assets.

The complaint noted that Pacific Northwest "immediately prior to" its acquisition by El Paso was considering a plan to run a pipeline into California—where it would have competed with El Paso. Those negotiations were halted when El Paso took control, trustbusters said.

Antitrust Chief Victor R. Hansen said the complaint is designed to restore "the competitive conditions which will insure the unfettered expansion of natural gas service wthn the vast Western area of the country." The acquisition, he declared, makes the entire Western area "almost entirely dependent on one company for purchase and sale of natural gas."

Company Defends Merger

Special to THE WALL STREET JOURNAL

SALT LAKE CITY, Utah — The combination of El Paso Natural Gas Co. and Pacific Northwest Pipeline Corp. is "in the public interest," said Stuart F. Silloway, president of Pacific Northwest.

Commenting on an antitrust suit to force El Paso to give up control of his company, Mr. Silloway said, "I don't think this combination by any stretch of the imagination can be other than beneficial to the consumer. I have felt that way right along and I still do."

Mr. Silloway said he could not comment on specific charges in the Government's suit until he sees a copy of the complaint.

Paul Kayser, president of El Paso Natural Gas Co., said he and the company attorneys had not received a copy of the complaint as of yet and so could make "no intelligent statement." He said the company should be able to make a statement Tuesday.

New Facilities Approved

By a WALL STREET JOURNAL *Staff Reporter*

WASHINGTON—The Federal Power Commission authorized Pacific Northwest Pipeline Corp. and Natural Gas Storage Co. of Illinois to build and operate $6,104,692 of new natural gas facilities.

The gas storage company won approval for its plan to spend $3,702,000 for a new underground storage field in Coles and Douglas Counties, Ill. The company said the new field will be able to handle 25 million cubic feet of gas daily.

Pacific Northwest was authorized to build $2,375,692 of new facilities in Idaho, Washington and Colorado. The F.P.C. said the new facilities, mostly pipeline and metering stations, will permit Pacific Northwest to serve several new industrial customers.

Koehring Plans Acquisition

MILWAUKEE, Wis.—Koehring Co. plans to acquire for more than $1,250,000 the business and inventory of the Henry & Wright division of Emhart Manufacturing Co., Hartford, Conn.

Directors of both companies have approved the transaction. Included in the agreement is the transfer of Henry & Wright's inventory, jigs and fixtures, patterns, tools and certain operating equipment. The final price Koehring will pay will be based on Henry & Wright's inventory at the time of transfer, before September 1.

Henry & Wright will operate as a department of Hydraulic Press Manufacturing Co., Mt. Gilead, Ohio, division of Koehring.

Steel Production Rose Last Week; Gain Is 3rd in Row

But Output, at 79.3% Rate, Once More Trailed Institute's Estimate

Advance Forecast This Week

Staff Reporter of THE WALL STREET JOURNAL

NEW YORK—Steel production edged up for the third straight week from the year's low set at the beginning of the month, but output last week still slipped below the forecast pace. A rise is again predicted for this week.

The American Iron & Steel Institute reported that production last week amounted to 2,030,000 tons, equal to 79.3% of rated capacity. The previous week it had been at a 78.7% rate and two weeks ago at the 1957 low of 78.5%. Last week's production was forecast, however, at 81%.

This week, the Institute said, production is scheduled at 81.2%, or 2,079,000 tons.

The Institute estimates steel production for the week starting July 22 as follows (1957 figures based on annual capacity of 133,459,150 net tons and 1956 on 128,363,090 tons):

	Net Tons Production	Index 1947-49	Per Cent Capacity
This week	2,079,000	129.4	81.2
Actual last week	2,030,000	126.4	79.3
Actual month ago	2,150,000	133.8	84
a-Actual year ago	419,000	26.1	17

a-Steel operations a year ago were affected by a strike by the A.F.L.-C.I.O. United Steelworkers Union.

Primary Aluminum Output Fell in June and First Half

NEW YORK — Primary aluminum output in the United States in June dropped 4.85% below that of June, 1956, while the six-month output was down 4% from the similar period last year, according to the Aluminum Association.

Output in June fell to 138,657 tons from 145,726 tons produced in June of the previous year and from 144,789 tons of the preceding month, the association disclosed. From January through June this year 823,969 tons were produced, compared to 860,304 tons in the like period of 1956.

The association said "the slight dip" was partly due to power shortages caused by low-water conditions in the Pacific Northwest. Donald M. White, association secretary, noted that "primary production during the second half is expected to reach levels slightly above those of the first half of 1957."

Court Upholds Federal Tax on Bonded Whiskey

Schenley Suit for Refund Dismissed; Company Plans Prompt Appeal

Congress Action Suggested

By a WALL STREET JOURNAL *Staff Reporter*

PITTSBURGH—Constitutionality of the tax force-out law on distilled spirits was upheld in United States District Court here in a case involving directly and indirectly about $117 million in refund claims by Schenley Industries, Inc., and an estimated total of nearly $1 billion in industry-wide claims.

Federal Judge John W. McIlvaine granted a motion by the Government to dismiss Schenley's suit challenging the 63-year-old law which exacts a $10.50 a gallon tax on distilled spirits at the end of the eight-year period of aging in Government-bonded warehouses. Schenley also sought a refund of $39 million in taxes paid in western Pennsylvania. Its total claims in the five states where it produces spirits amount to $117 million.

Schenley's Contention

Schenley contended that the levy becomes a direct tax on property when exacted arbitrarily at eight years upon goods for which no market exists.

The company contended a year ago in an earlier phase of its fight against the law that 50 million of gallons in excess of demand would be forced out of warehouses during the following two years throughout the industry.

Judge McIlvaine upheld the Government claim that the levy is an excise tax. But he took cognizance of Schenley's "distinct problems, perhaps problems that were not envisioned or could not be foreseen when Congress originally enacted the internal revenue laws."

Legislation Suggested

He said that effects of the "force-out" provision "may place the plaintiffs in an unfortunate situation in which they cannot compete with foreign producers and in effect are being discriminated against," and suggested that in such case the "orderly way to eliminate this would be legislation and not a court decision."

"Action by Congress," Judge McIlvaine said, "would be more accommodative, would afford the whole industry an opportunity to be heard, and an opportunity to assist in the formulation of any new legislation that be necessary.

"The result of any new legislation by Congress would be more likely to protect the industry and the public as a whole. Congressional action would be known in advance, and the industry could adjust to meet the changes in the law. While plaintiffs may have a complaint, their grievance should again be brought to the attention of the Congress, who may in its wisdom adjust the internal revenue laws to meet the change of conditions. It is obvious that Congress has been previously alerted to the difficulties complained of by plaintiff. The existing laws we feel are constitutional. It follows then that since this tax is within the lawful power of Congress that any change must be made by Congress and not this court."

Schenley to Appeal

A Schenley Industries spokesman said here his company will "promptly appeal." But he added that the decision may bring about early consideration by the U. S. Senate of an excise law technical revision bill which would extend the force-out from eight to 20 years and, for all practical purposes, eliminate it. The House has passed the measure.

In 1956, Schenley asked a special Federal statutory court to enjoin future collections under the force-out law, but the court dismissed the suit as not coming within any of the exceptions to an act of Congress prohibiting the enjoining of collection of Federal revenues. The U. S. Supreme Court last April upheld that ruling, but did not pass on the constitutional question. Schenley then sued for refunds.

Addressograph Settlement

CLEVELAND—Office workers of Addressograph-Multigraph Corp. returned to work yesterday following ratification of a wage agreement between the company and Local 29, Office Employes International Union.

The strike, which began July 3, was supported by the company's 1,800 production workers and resulted in a shutdown of production operations. Terms of the settlement were not announced.

Pacific Cement Agrees To 17¾ Cents an Hour Package Wage Increase

Pact With Union Retroactive to May 1, Has Subcontractors Clause; 11 Firms Signed Up So Far

A WALL STREET JOURNAL *News Roundup*

Pacific Cement & Aggregate Co., Santa Cruz, Calif., became the eleventh company to agree to a new labor contract with the United Cement, Lime and Gypsum Workers.

Terms of the settlement provided for a 17¾-cents an hour "package" wage increase and fringe benefits, according to Toney Gallo, secretary-treasurer of the union.

The settlement with Pacific Cement, whose plant was not struck, follows the pattern of the union's contract with Marquette Cement Manufacturing Co., Chicago. That contract, however, had a value of 16.5 cents an hour in labor cost increases. The higher value of the Pacific Cement pact is due to certain technical operations at its plant and the fact the company has more older employes who would be eligible for longer vacations granted in the new contract.

Clause Bars Subcontractors

The agreement is retroactive to May 1, the expiration date of the old contract, and contains a "subcontractors" clause barring use of employes of outside firms from performing work normally done by union members at the plant.

These two issues which are opposed by major cement concerns, have so far blocked efforts to reach agreements in bargaining sessions in the last two weeks. Last week, Lone Star Cement Corp. and Lehigh Portland Cement Co. in talks with union locals offered proposals that met every union demand but the two contentious points.

Union officials said they were willing to modify the language of a proposed "subcontractors" clause to meet certain management objections. Yesterday, a union official said that the retroactivity issue would also be subject to bargaining if companies were willing to offer alternatives or trades. "We'd be willing to take a hard look at any trade," the official said.

One Plant Raises Prices

Although one large producer, Ideal Cement Co. of Denver, which operates 14 plants in the West and Gulf Coast areas, will raise prices at all of its plants for the fourth quarter by an undisclosed amount, other companies appear reluctant now to discuss prices.

Marquette Cement, the only other large manufacturer to sign a new labor agreement, said through a spokesman that the company "has no present intention" of raising prices in the fourth quarter. This attitude may change, the spokesman said, depending on "how results of our operations work out."

Several company executives called the Ideal announcement "premature" and noted that a labor cost increase of over 16 cents an hour need not kick off a general round of price increases in the industry in the fourth quarter. "The pressure for higher prices, however, is continuing and may cause higher prices in the future," one official said.

Monterey Oil

MONTEREY OIL CO. reports for nine months ended May 31:

	1957	1956
Earned per share	$.61	$.56
Gross income	13,279,203	13,398,113
Net income	1,096,213	1,009,088
Capital shares	1,806,460	1,806,460
Quarter ended May 31:		
Earned per share	$.21	$.17
Gross income	3,427,353	4,237,123
Net income	371,811	303,667

Ford 2nd Quarter Net Trailed 1st, But Topped 1956

Drop in Sales, Unusual Costs In June 30 Period Cited For Earnings Drop

Dollar Sales Up 27% in Half

By a WALL STREET JOURNAL *Staff Reporter*

DEARBORN, Mich.—Ford Motor Co. reported its net income for the second quarter trailed that of the first three months this year, but topped the earnings reported for the like period of 1956.

Net income for the three months ended June 30 amounted to $70.5 million, equal to $1.30 a share on the average number of shares outstanding, Henry Ford II, president, reported. This trailed the first quarter's net of $100.5 million, or $1.85 a share, but topped the second quarter, 1956, net of $58 million, or $1.07 a share.

For the first half of 1957, Ford reported earnings of $171 million, or $3.15 a share, up from $131.7 million, or $2.44 a share, in the first six months last year.

Sales for the first six months of 1957 were a record $3,009,500,000, exceeding $3 billion for the first time in any half-year period, Mr. Ford said. They were up 27% from sales of $2,364,500,000 in the first half of 1956.

Mr. Ford attributed the decline in second-quarter earnings from the first period to an 8% drop in sales and to the higher unusual costs associated with the company's new product and facility expansion program. Second-quarter sales were $1,440,000,000, up from $1,161,400,000 in the second quarter last year. In the first quarter this year, sales were $1,569,500,000, the highest quarterly sales in Ford's history.

In 1955, Ford earnings were $234,400,000 for the first six months, equal to $4.40 a share. Net sales for that period were $2,891,300,000.

Factory sales of cars and trucks during the first half were 1,195,592 units, second only to the first half of 1955, up from 1,028,284 vehicles in the first six months of 1956.

Factory sales of Ford cars totaled 819,137 for the six months, compared with 702,073 cars in the year-earlier period. Sales of Mercury cars amounted to 170,189, against 137,962. Lincoln and Continental sales totaled 20,137, off from 28,231 for the corresponding period of 1956.

Ford truck sales rose sharply to 186,129 from 160,018 in the first six months of last year.

Ford Motor Co. and consolidated subsidiaries report for the quarter ended June 30, 1957, a net income of $70,500,000 after charges and provision for income taxes, equal to $1.30 a share on 54,434,370 average number of capital shares outstanding during the period.

This compares with $58,000,000 or $1.07 a share on 53,974,758 average shares in the June quarter of 1956 and $100,500,000 or $1.85 a share on 54,296,345 average shares in the quarter ended March 31, 1957.

For the six months ended June 30, last, net income was $171,000,000 or $3.15 a share on 54,365,357 average number of shares outstanding during the period, against $131,700,000 or $2.44 a share on 53,909,764 average shares in the first six months of 1956.

Income account of Ford Motor Co. and consolidated subsidiaries for quarter ended June 30:

	1957	1956
a-Earned per share	$1.30	$1.07
Net sales	1,440,000,000	1,161,400,000
Div & prof uncon subs, etc	4,600,000	4,500,000
Misc income, net	5,700,000	5,700,000
Total income	1,450,300,000	1,171,600,000
Costs & expenses	1,295,800,000	1,044,800,000
Prov supp'l compen	6,100,000	4,800,000
Net before taxes	148,400,000	122,000,000
Income taxes	77,900,000	64,000,000
Net income	70,500,000	58,000,000
Average capital shares	54,434,370	53,974,758

Income account of Ford Motor Co. and consolidated subsidiaries for the six months ended June 30:

	1957	1956
a-Earned per share	$3.15	$2.44
Net sales	3,009,500,000	2,364,500,000
Divs & prof uncon subs, etc.	5,800,000	7,800,000
Miscel income, net	11,000,000	16,000,000
Total income	3,026,300,000	2,388,300,000
Costs & expenses	2,644,400,000	2,100,800,000
Prov. supp'l compen	16,500,000	11,600,000
Net before taxes	365,400,000	275,900,000
Income taxes	194,400,000	144,200,000
Net income	170,000,000	131,700,000
Average capital shares	54,365,357	53,909,764

a-Based on average number of shares outstanding during the period.

Condensed consolidated balance sheet of Ford Motor Co. follows:

Assets:	June 30,'57	June 30,'56
a-Prop plt & equip	$1,829,400,000	$1,373,300,000
Inv & non-curr rec'bles	100,300,000	94,400,000
Cash & market secs	264,600,000	427,000,000
Receivables	152,600,000	118,000,000
Inventories	599,500,000	476,300,000
Prepaid exps	16,200,000	18,200,000
Deferred chgs	47,000,000	45,000,000
Total	3,009,600,000	2,552,200,000
Liabilities:		
Capital stock, par $5	$272,200,000	$269,900,000
b-Current liabilities	637,700,000	545,800,000
Other liabs	16,600,000	16,600,000
Long-term debt	200,500,000	......
Reserves	52,500,000	43,100,000
Cap acct in exc of par	279,000,000	271,300,000
Earned surplus	1,551,100,000	1,405,300,000
Total	3,009,600,000	2,552,200,000

a-After depreciation and obsolescence. b-Net of $269,300,000 of U. S. Government securities applied against liability of U. S. taxes on income in 1957 and $225,900,000 in 1956.

Allis-Chalmers

ALLIS-CHALMERS MANUFACTURING CO. reports for six months ended June 30:

	1957	1956
a-Earned per common share	$1.36	$1.44
Net sales billed	285,831,554	294,264,807
Net before income taxes	23,842,018	24,880,735
Income taxes	12,550,000	13,025,000
Net income	11,292,018	11,855,73[illegible]
Common shares	8,174,358	7,978,979
Quarter ended June 30:		
a-Earned per common share	$.74	$.74
Net sales billed	148,000,000	154,000,000
Net income	6,191,860	6,087,136

a-After preferred dividends.

Liggett & Myers

LIGGETT & MYERS TOBACCO CO., INC., reports for quarter ended June 30:

	1957	1956	1955
a-Earned per com shr	$1.82	$1.63	$1.57
Sales	156,000,000	142,909,000	......
Net before income tax	17,196,000	14,896,000	14,251,000
Net income after taxes	7,843,000	6,775,000	6,518,000
Common shares	3,911,521	3,911,521	3,911,521
Six months ended June 30:			
a-Earned per com shr	$3.21	$2.93	$2.73
Sales	288,512,000	272,612,000	......
Net before income tax	29,372,000	27,006,000	25,180,000
Net income after taxes	13,271,000	12,206,000	11,328,000

a-After preferred dividend requirements.

Filtrol Corp.

FILTROL CORP. reports for the quarter ended June 30:

	1957	1956	1955
Earned per share	$.88	$1.08	$1.13
Net income after taxes	1,152,000	1,419,000	1,487,000
Capital shares	1,316,632	1,316,632	1,316,632
Six months ended June 30:			
Earned per share	$1.66	$2.19	$1.91
Net income after taxes	2,182,000	2,882,000	2,517,000

International Silver Net in 2nd Quarter Expected to Trail '56

Company Attributes Decline to Start-Up, Moving Costs; Cites Competition From Stainless Steel

By a WALL STREET JOURNAL *Staff Reporter*

NEW YORK — International Silver Co.'s second quarter 1957 earnings are expected to equal or be slightly less than the 21 cents a share reported for the initial three months this year, it was learned. Such earnings, however, would be considerably below the 67 cents a share earned in the second quarter of 1956.

The last half of the year historically represents the best earnings periods for International Silver, with the peak reached in the final three months. Because of this a substantial improvement in earnings is predicted for the second half over the first. At this time it appears that full year 1957 earnings may be close to $3 a share on the common.

Such results for 1957, however, would be sharply lower than in 1956, when net was equal to $5.53 a common share. Second half earnings in 1956 accounted for an indicated $4.18 a share of the full year's returns — $1.47 for the third quarter and an indicated net of $2.71 for the final three months.

The company said the decline in earnings so far this year stems from several factors, notably, starting up costs in the company's jet-engine blade plant; moving expenses incident to the closing of the concern's old hollow ware and cutlery plants and transfer of equipment and operations to a new $6 million plant in Meriden, Conn.

There also has been a fall in demand for silver plated flatware, along with severe competition from stainless steel flatware. This latter competition stems mainly from greatly increased Japanese imports being sold in the U. S. at prices far below those of American manufacturers.

The company entered the jet blade business in 1952 as a sub-contractor, but this contract was completed in 1955. "We spent 1956 trying to rebuild our jet blade business," Craig D. Munson, president, said, "and succeeded in building up a backlog of several million dollars. But it costs a lot of money to get into production—make tools, build up personnel and train workers.'

American manufacturers are appealing for Government help in stemming the flow of stainless steel flatware—table knives, forks and spoons—into this country. Last week the Tariff Commission held hearings on a plea for a limit on imports of 10% of American consumption, which is estimated at 20 million dozen pieces yearly.

Gabriel Co.

GABRIEL CO. reports for quarter ended June 30:

	1957	1956
a-Earned per common share	$.15	$.04
Net sales	5,824,086	4,698,036
Net before income taxes	504,318	62,946
Net income after taxes	242,072	30,213
Common shares	820,538	819,958
Six months ended June 30:		
a-Earned per common share	$.79	$.18
Net sales	11,609,002	8,871,234
Net before income taxes	885,405	218,988
Net income after taxes	424,994	105,114

a-After preferred dividend requirements.

John H. Briggs, president of Gabriel, said: "Third quarter operations will be affected by the vacation period and model change overs by automotive customers. However, we believe that the third quarter profit results will continue to demonstrate the marked improvement over last year's operations."

Philadelphia Electric

PHILADELPHIA ELECTRIC CO. and subsidiaries report for six months ended June 30:

	1957	1956
a-Earned per common share	$1.48	$1.54
Operating revenues	121,792,685	117,812,783
b-Net income	20,898,419	20,766,304
Pfd and pref common divs	1,963,559	1,963,559
Balance for common	18,934,860	18,802,745
Common shares	12,806,125	12,196,310
Twelve months ended June 30:		
a-Earned per common share	$2.47	$2.52
Operating revenues	228,690,214	219,816,256
b-Net income	35,605,214	34,611,451
Pfd and pref common divs	3,927,119	3,927,119
Balance for common	31,678,095	30,684,332

a-After dividend requirements on the preferred stock and on $1 dividend preference common stock. b-After taxes and charges.

Stanley Warner

STANLEY WARNER CORP. and subsidiaries report for 39 weeks ended May 25:

	39wks.end. May25,'57	39wks.end. May26,'56
Earned per share	$1.25	$.94
Income from adm., rents, etc.	83,699,260	70,758,135
Profit before income taxes	5,774,591	a-4,429,190
Income taxes	3,075,000	2,400,000
Net income	2,699,591	2,029,190
Capital shares	2,153,099	2,166,800

a-After provision of $100,000 for contingencies.

Thirteen weeks ended May 25:

	13wks.end. May25,'57	13wks.end. May26,'56
Earned per share	$.32	$.18
Net income	691,800	400,100

Duval Sulphur & Potash

DUVAL SULPHUR & POTASH CO. reports for quarter ended June 30:

	1957	1956	1955
Earned per share	$.96	$.63	$.70
Net sales	3,816,713	2,768,523	2,819,907
Net before inco tax	1,272,641	860,785	873,588
Net income after taxes	1,027,731	628,718	a-697,253
Capital shares	1,069,358	1,000,000	1,000,000
Twelve months ended June 30:			
Earned per share	$3.02	$2.75	$2.91
Net sales	13,903,114	12,654,452	13,068,440
Net bef inco tax	3,956,787	3,831,230	4,046,521
Net income after taxes	3,230,587	2,754,573	a-2,906,094

a-Gives effect to credit of $103,639 for adjustment of income tax provisions for prior years.

Nestle-LeMur Co.

NESTLE-LeMUR CO. reports for quarter ended June 30:

	1957	1956
Earned per share	$.23	a-$.15
Sales	2,337,785	1,938,[illegible]
Net before income taxes	227,265	100,136
Net income after taxes	103,165	67,464
Capital shares	440,000	416,432
Six months ended June 30:		
Earned per share	$.47	a-$.28
Sales	4,548,247	3,673,024
Net before income taxes	400,871	208,730
Net income after taxes	207,033	125,739

a-Based on 440,000 capital shares outstanding June 30, 1957.

Kimberly-Clark

KIMBERLY-CLARK CORP. consolidated report for year ended April 30:

	a-1957	a-1956
Earned per share	$2.92	$2.87
Net sales	310,733,968	282,167,742
Profit before inco taxes	49,020,039	47,532,496
Income taxes	24,199,449	23,412,395
Net income	24,820,590	24,120,001
Common shares	8,496,494	b-8,400,570

a-Figures for both years include operations of Peter J. Schweitzer, Inc., acquired in February, 1957. Operations of Neenah Paper Co. acquired in May, 1956, are included only since that date. b-Revised to include shares issued in acquisition of Peter J. Schweitzer, Inc.

Consolidated balance sheet items of Kimberly-Clark Corp. follow:

	April30,'57	b-April30,'56
Total assets	$284,887,398	$249,550,919
a-Prop., plt and equip	130,971,232	112,044,155
Cash	15,378,396	21,093,115
U. S. and forgn Govt. secs.	14,102,015	18,825,308
Other marketable secs.	10,430,329	14,557,232
Inventories	53,993,709	44,829,994
Current assets	114,725,612	120,484,829
Current liabilities	29,348,729	23,831,539
Long-term debt	17,724,000	20,009,130
Capital surplus	65,801,675	63,624,418
Retained earnings	105,639,665	95,285,572
Common shares, $5 par	8,496,494	7,673,576

a-After depreciation and depletion. b-Includes Peter J. Schweitzer, Inc. acquired in February, 1957.

Davega Stores Expects Profit in Fiscal 1958

President Explains Christmas Business Determines Results For Full Year

By a WALL STREET JOURNAL *Staff Reporter*

NEW YORK—Davega Stores Corp. expects to operate at a profit for the fiscal year ending February 28, 1958, although "most of our profits are still in the customers' pockets," H. M. Stein, president and treasurer, said at the annual meeting. He explained that Christmas volume plays a decisive role in determining results for the year.

Last year, Davega had a net operating profit of $68,553. However, the sale of its wholesale subsidiary, Triangle Industries Corp. resulted in a loss of $375,316. The company's net loss last fiscal year was $319,932, which also reflected a loss in closing one retail store.

Mr. Stein said he is "optimistic" about Davega's chances of avoiding delisting by the New York Stock Exchange, but cautioned that much depends on the company's profit showing for the entire fiscal year, which in turn depends largely on Christmas volume.

One shareholder, Mathias Axel, referring to Davega's net loss for three of the last four years, told Mr. Stein that "making a profit in merchandising doesn't seem to be one of your strong points."

Mr. Stein explained that much of Davega's difficulty comes from having signed many of the leases for its 28 stores a number of years ago, which "result in high rentals and prevent us from broadening our product line as much as we would like to." He noted that the suburban exodus and merchandising diversification were not foreseen when these leases were drawn up.

"As you know," he continued, "we deal mostly in durable hard goods such as air conditioners, television sets and refrigerators. And as you know, the hard goods market has been kicked around like a football."

Mr. Stein declined to estimate how sales and earnings for the first six months of fiscal 1958 were going. "In our business," he said, "profit and loss can be determined only on the basis of physical inventory, especially when you operate on a gross margin as narrow as ours; and we only take a physical inventory twice a year, at the end of August and at the end of February.

Republic Steel Sales, Net Set Highs in 1st Half

Chairman Sees Inventories Of Customers Worked Off By Third Quarter

Cost Control Cited by Report

By a WALL STREET JOURNAL *Staff Reporter*

CLEVELAND—Despite a slight second quarter decline from a year ago, sales and earnings of Republic Steel Corp. for the first six months of this year set new highs.

"A decrease in operations from 93.3% in the first quarter to 79.3% in the second prevented us from continuing the record earnings of the first quarter," C. M. White, chairman, reported.

"In my opinion, a net income exceeding $24 million with operations just under 80% of capacity was an astonishingly good performance and reflects the continued emphasis placed on efficiency and close cost control," he said.

For the quarter ended June 30, Republic reported net sales slipped to $338,249,637 from $351,454,168 in the June quarter last year. Earnings were $24,865,071, or $1.60 a share, down slightly from the like period last year, when they totaled $26,491,060, or $1.71 a share.

For the first half this year, sales were $692,655,830 and earnings were $52,917,897, or $3.40 a share, compared with sales of $684,052,643 and net of $51,532,452, or $3.33 a share, a year ago. Net income for the six months ended June 30, 1957, amounted to 7.6% of sales, slightly better than the 7.5% recorded in the first half of last year, the report noted.

Mr. White said the second quarter operating rate of 79.3% was the result of many factors, including the company's product mix in the period and operations in customers' plants.

"Some of our largest customers are not producing up to expectations and are still working off some of the large inventories they accumulated prior to last summer's steel strike," Mr. White said.

The Republic official added, however, that "we believe that this situation will remedy itself in the last half of the third quarter and out present expectation is that the year as a whole will measure up to our best performance."

REPUBLIC STEEL CORP. and subsidiaries report for quarter ended June 30:

	1957	1956	1955
Earned per share	$1.60	$1.71	$1.50
Net sales	338,249,637	351,454,168	c-305,293,343
Net before fed taxes	52,265,071	55,891,060	48,144,806
Federal income taxes	27,400,000	29,400,000	25,200,000
Net income	24,865,071	26,491,060	22,944,806
Capital shares	15,550,695	15,466,851	15,325,946
Six months ended June 30:			
Earned per share	$3.40	$3.33	$2.68
Net sales	692,655,830	684,052,643	c-566,901,889
Net before fed taxes	111,417,897	108,132,452	86,437,071
Federal income taxes	58,500,000	56,600,000	45,300,000
Net income	52,917,897	51,532,452	41,137,071

c-Restated by company.

Monsanto Net Fell, Sales Rose 4% in 2nd Quarter From Like 1956 Period

Company Sees Higher Volume in 1957 Than a Year Ago, Profits About the Same

ST. LOUIS — Sales of Monsanto Chemical Co. in the second quarter advanced 4% over the like 1956 period, while net income fell $90,000. For the six month period, ended June 30, sales climbed 6% and net advanced by $189,000.

The large chemical producer reported 1957 second quarter sales of $145,861,000 and earnings of $10,630,000, or 49 cents a share based on the 21,450,494 shares outstanding at the end of the period. This compares with sales of $139,646,000 and earnings of $10,720,000, or 50 cents a share based on the 21,446,461 shares outstanding December 31, 1956, for last year's quarter.

For the six month period Monsanto earned $22,164,000, or $1.03 a share, on sales of $297,146,000, compared with net income of $21,975,000, or $1.03 a share, on sales of $280,257,000 for the like period a year ago.

For the year 1957 Monsanto is expecting a "substantial" increase in sales over 1956 results, while earnings "should be within the same range as last year," Irving C. Smith, controller, said.

Earlier this year Edgar M. Queeny, chairman, predicted "a modest increase" in Monsanto earnings this year over last. For 1956 Monsanto reported net income of $38,646,000 or $1.80 per share, on sales of $541,883,000.

"So far this year all four Monsanto operating divisions' sales are running ahead of last year and I don't know any reason why that trend shouldn't continue for the rest of the year," Mr. Smith stated. He indicated the fourth quarter pace of the automobile industry, for which Monsanto supplies safety-glass interlayer, plastics, rubber chemicals and other products, will affect year-end results.

Normally Monsanto does not breakdown by companies the sources of its subsidiary income, however, E. A. O'Neal, president of Chemstrand Corp., jointly owned by Monsanto and American Viscose Corp., said "My guess is that good portion of the increase came from Chemstrand."

Mr. O'Neal said that Chemstrands' sales and earnings for the first six months of 1957 "were appreciably above' the 1956 period "We are selling out our nylon capacity as our expansion program brings in higher production and overall the nylon picture is very good," Mr. O'Neal said.

He added that the firms' Acrilan operation broke even for the full year.

MONSANTO CHEMICAL CO. and domestic and Canadian subsidiaries report for the quarter ended June 30:

	1957	1956
a-Earned per common share	$.49	$.50
Net sales	145,861,000	139,646,000
Net before income taxes	19,258,000	19,437,000
Income taxes	8,628,000	8,717,000
Net income	10,630,000	10,720,000
Common shares	21,450,494	21,012,945
Six months ended June 30:		
a-Earned per common share	$1.03	$1.02
Net sales	297,146,000	280,257,000
Net before income taxes	41,702,000	40,565,000
Income taxes	19,538,000	18,590,000
Net income	22,164,000	21,975,000

a-Based in both periods on 21,450,494 common shares now outstanding.

Kansas Power & Light

KANSAS POWER & LIGHT CO. reports for quarter ended June 30:

	1957	1956
a-Earned per common share	$.53	c-$.47
Operating revenues	11,336,654	10,670,837
b-Net income	1,817,298	1,630,368
Net after preferred dividends	1,535,149	1,357,219
Common shares	2,861,967	2,585,606
Six months ended June 30:		
a-Earned per common share	$1.23	c-$1.16
Operating revenues	25,050,392	23,765,781
b-Net income	4,102,537	3,882,348
Net after preferred dividends	3,530,261	3,318,052
Twelve months ended June 30:		
a-Earned per common share	$2.69	c-$1.85
Operating revenues	46,220,558	42,930,135
b-Net income	7,108,419	6,429,521
Net after preferred dividends	3,979,827	3,300,920

a-After preferred dividends. b-After taxes and charges. c-Based on the 2,861,967 common shares outstanding on June 30, 1957.

REVIEW and OUTLOOK

The Plus and Minus of School Aid

The House of Representatives is this week scheduled to vote on the Federal school aid bill. The measure is sponsored and supported by those who think the states and communities are not doing enough to catch up with the shortages of two wars which reduced building. It is opposed by those who believe that the states are meeting their responsibilities, and by those who think Federal aid must of necessity lead to Federal control of the schools.

A recent survey by the Council of State Chambers of Commerce covered 28 states representing "all sections of the country geographically and all levels in relative economic capacity." The conclusion was that Federal aid was "not needed because the job is being done by the states." Some states, the Council said, admittedly have moved more slowly than others in their school building programs. But they are obviously financially capable of doing more and the Council believes they will do more "if the anticipation of outside assistance is killed for certain."

If it is killed, the Empire State Chamber of Commerce noted in asking New York Congressmen to oppose the bill, New York taxpayers will save $19,300,000 a year during the time the Federal school aid is operative. Mr. Welles Gray, secretary of the Chamber's education committee, says the measure will cost New York taxpayers $38 million a year while they will receive from Washington only $18.7 million. Since there are other "rich" states facing similar percentage loss on the send-it-to-Washington - and-get-back-less feature of the school bill, it is not surprising that opposition is growing about that sort of financial arrangement.

There are, however, other reasons to oppose the Federal $1.5 billion school aid bill aside from the considerations that lead people to believe that if New Yorkers are going to pay out $38 million a year for schools the schools ought to be in New York.

The major reason is that the communities are every day doing what the proponents of Federal aid say they are not doing. For nine months ended last March 31, states, towns, villages and school districts sold $1.5 billion in bonds to build or renovate schools. For the first six months of this year, an all-time high in school expenditure was reached. Just last week, big and little places all over the country taxed themselves and sent to market $51,053,000 in school bonds.

There were 52 school bond sales all told, in New York, Wisconsin, Louisiana, Minnesota, Massachusetts, Connecticut, Michigan, Oklahoma, Washington, Ohio, California, Illinois, New Jersey, Pennsylvania, Arizona, Kentucky, Oregon, Indiana and Tennessee. The largest issue for which taxpayers obligated themselves was $12 million for Philadelphia, Pa., schools. The smallest issue was for $5,000 for a school in Linn, Ore.

Much the same story is told this week: $32,667,500 in bonds are being offered for school construction in 17 states. The smallest school bond issue is by the Brown County School Corporation, Indiana, for $8,000; the largest is by East Baton Rouge Parish, Louisiana, for $10 million.

Thus in two weeks nearly $84 million in local tax-backed bonds are going to market. Whether it takes many more millions, or only a few thousands, the local communities are meeting their own problems.

Nearly everyone agrees—even the Federal aid advocates say so—that the responsibility is a local one. The Administration has said time after time that the program is based on a crucial "emergency" need and that as soon as the "emergency" is over the Federal aid will end.

But the history of Federal aid clearly shows that once it starts it is difficult to end; there is always an "emergency" of one kind or another to breathe new life into Federal spending.

For our part, we hope the House will knock this proposal in the head in a hurry. For the facts of the case themselves argue against Federal aid and against the control Federal aid must bring about.

The facts are that the need is being met with more dollars than the Federal aiders want to spend themselves.

Sociology and the Auto

Americans are turning to low-priced cars at the expense of medium-priced ones, Mr. Melloan reported from Detroit the other day. Economists will be having something to say about this. That aside, there is the social significance to be considered also.

For some time, the country's sociologists have found the automobile symbolic of everything that's wrong with the country and this new trend is sure to come to their notice.

They have been telling us ever since "Main Street" startled the early Twenties that we do our auto buying on the basis of snob value and that our society is almost based on the belief that a man who has a Buick is somehow more worthy than a man who has a Ford. So this move away from what has been called the way of the booboisie to the democratic sharing of the less expensive autos ought to please them.

But we wonder if it really will. For even the self-appointed interpreters of America must realize that the trend toward less expensive cars doesn't prove much, sociologically speaking. Not when today's "cheap" cars are themselves symbols of luxury and cost more than the snobbish models of Main Street's time.

Balancing Act

On the surface the Government's surplus for the fiscal year just ended looks pleasant. In reality, it is an extremely shaky surplus; this is budget balancing more by accident than by design.

The surplus of more than $1.6 billion is almost $100 million lower than estimated, which in itself is hardly encouraging. The surplus could easily have been wiped out altogether if just a few things had turned out somewhat differently.

For instance, last fiscal year's budget expected housing programs to cost $719 million. But largely because the Federal National Mortgage Association sold debentures to the public instead of making heavy withdrawals from the Treasury, these programs actually put $31 million into the Government's coffers.

In addition, the Export-Import Bank paid $100 million into the Treasury instead of taking out $400 million. This was due to the happenstance that the British government didn't draw any of its Ex-Im loan during the period. Finally, Federal revenues were almost $300 million higher than the most recent estimate.

Thus, if just these three situations had developed the way the Administration in fact originally thought they would, the surplus would have been microscopic; on this kind of basis, the Government could quite easily have wound up in the red. That is no way to run a budget.

For one thing, it is a dubious matter for the Government to have to be bailed out by constantly rising income from existing tax rates. This rising income, while partly a reflection of inflation, is to a considerable degree the result of the people's economic enterprise. It should provide the basis for tax cuts, instead of higher Government spending, which is the case now. The Government, despite the Fannie Mae and Export-Import "windfalls," spent nearly $450 million more last fiscal year than it estimated.

Whatever else it may be, this is just plain bad fiscal practice. It is like a man who plans his spending on the assumption, but without any certainty, that he will get a raise before the year is out. Few would argue that this is a sensible fellow. The Government of the United States, far more than any individual, should budget its expenses so as to ensure a large and safe surplus.

If there were a war or a depression, rickety budgeting could perhaps be excused. In a condition of peace and unrivalled prosperity there is no excuse whatsoever for the Government to keep on piling up its outlays year after year. Now if ever is the time when Government spending can be cut sharply.

And that is the only way the Government can get off this frayed budget tightrope without falling off, and balance its books in a way that won't look like a trick.

Borg-Warner Division To Close One Plant, Cut Output at Another

By a WALL STREET JOURNAL *Staff Reporter*

DETROIT—Long Manufacturing Division of Borg-Warner Corp. announced it is closing its French Road plant in Detroit and reducing production at its Kercheval plant as a result of a loss of business.

The French Road plant, which employed 475 at peak operations, formerly produced farm tractor transmissions and axle assembly units. According to T. J. Ault, Long president, the division's sole remaining customer for farm tractor transmissions failed to renew contracts and is now purchasing its requirements from England. Long will not renew its lease on the plant with the Navy.

The Kercheval plant, where auto transmissions were made, will be changed from "line production" to a "job shop" basis as a result of the loss of large volume production, Mr. Ault said. He said the loss would force the plant to continue on a "greatly reduced scale," employing approximately 200 workers compared with a former peak of 825.

Mr. Ault said the inability of the company to produce transmissions at competitive prices forced the curtailment. Long closed down another automatic transmission operation in 1955, selling the machinery from its Seven Mile Road plant to English interests and leasing the plant to American Can Co.

The curtailments leave Long with only two plants still operating in Detroit, compared with four in 1955. Its factory on Dequindre Street employs 900 people in the production of automotive radiators, clutches, torque converters and various types of heat exchangers.

Letters To the Editor

Need for Recreation

Editor, The Wall Street Journal:

Your editorial "Military Thrift," which conveniently filled a space in the July 8 issue, was far below your usual level of opinionating. Your implications, or at least your obvious agreement with Senator Douglas' implications, that the entire $2.5 billion asked to be pared from the military budget was for things not military, is an insidious attempt to sway the minds of your civilian readers.

Your tainted suggestion (like the Senator's) was that the military needs none of the facilities listed. Further, you outrageously implied that all funds appropriated to the military go toward making it one large comfy country club. Before tacitly cluttering your readers' minds with unproven generalities about this or any subject, I suggest you help your readers cope with the passion for which politicians are infamously known; that is your obligation as a reporter, if you are one with scruples. Your readers, at least this avid one—one who has trusted your editorials as something more than space fillers—expect your investigation into a matter such as this which might bare truth and accuracy regarding the question: What percentage of military funds goes for "extra curricular" facilities? You might then offer an opinion as to whether or not this percentage is unreasonable, taking into consideration that most organizations recognize a need for recreational facilities—even The Wall Street Journal office has a coffee bar, I'm sure. By the way, you might advise the Senator that the $562,000 spent for the Navy Officers' Club in Florida might have been raised through club dues.

Your statement, "Well, the Senator built his case so strongly there's scarcely anything that can be added by us," is certainly a strong indication of the industrious, fact-finding energy expended in carrying out your obligations.

2ND LT. NATHAN J. LEANSE

Harlingen Air Force Base, Texas

[Sorry, The Wall Street Journal has no swimming pool, no putting green and no coffee bar.—Ed.]

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Coffee Drinking, Too

Editor, The Wall Street Journal:

In your June 5 story on coffee, growing in Hawaii, Hollywood Director Ed Dmytryk is quoted as saying, "it intrigued the wife and I." The quotation marks create the presumption that the language is that of Mr. Dmytryk, but whether his or that of the reporter who wrote the article, I trust you will permit me the space to express the hope that coffee growing will continue to intrigue he and she.

JOEL DORMAN

Athens, Ohio

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The Unissued Warning

Editor, The Wall Street Journal:

Your editorial "Girard and the Judges" (July 9) brings to mind the hundreds of American women and children caught in the Philippines during World War II as a result of another State Department ruling. The facts are these:

Fourteen months before Pearl Harbor, American Consulates throughout the Far East from Tokyo to Batavia advised American firms in writing to evacuate all dependents and dispensable personnel because of the deteriorating political situation. One country was excepted. The American Embassy in the Philippines did not issue this warning. Dependents leaving other countries were, however, barred from taking up residence in the Philippines.

In March, 1941, all dependents of the Armed Forces stationed in the Philippines were shipped home. American firms there were advised that our State Department was not yet ready to recommend evacuation of American civilians. In October, 1941, our Government secretly arranged for the use of Santo Tomas University grounds as an internment site in case the Japanese captured Manila. Pearl Harbor day arrived without any change in State Department policy.

It seems reasonable to assume from the record that the warning to evacuate women and children was deliberately withheld in the hope that this show of confidence would scare the Japanese into abandoning invasion plans.

If the State Department is taught by public opinion to operate on the basis of principle rather than expedience, our country will earn more respect abroad and probably have fewer incidents to settle. Let us have more publicity in cases of this nature.

ROY G. DOOLAN

Healdsburg, Calif.

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"Santa Claus" Laws

Editor, The Wall Street Journal:

In his letter published July 8, Congressman Cooley sharply criticized Secretary Benson and stated that "a large portion of agriculture is in a deplorable condition."

Montana is an agricultural state. Let me describe the "deplorable condition" here.

There are thousands of farmers with homes costing from $25,000 to $50,000, with every modern convenience, and many, although miles from town, have paved roads to their dooryard and electricity and telephones financed with Government money.

Many have homes both on the farm and in town. Nearly all have expensive cars and hundreds have private planes. Spending winters in the South is a common thing.

To me Mr. Benson is the first Secretary of Agriculture in many years who has had the courage and the honesty to tell the truth about agriculture.

The progress and prosperity of this great country has sprung largely from our basic rule of equality of opportunity. A couple of generations ago, when we still had a Congress and a Supreme Court willing to support and defend equality and the Constitution, these "Santa Claus" laws would have been instantly thrown out as "class legislation." They became law in the first place to help a really depressed farmer—they remain on the books now largely to aid in getting votes for blatant political demagogues.

The vast majority of the voters are not farmers, and I wonder when people will come to their senses and clean house to correct these inequalities.

SAM HOLE

Shelby, Mont.

Tories At Bay

Just Two Short Years Have Reversed Political Fortunes Of Britain's Conservatives, But Not Their Hopes

By WILLIAM HENRY CHAMBERLIN

LONDON—Two years ago the British Conservative party was returned to office by an increased margin in votes and seats. Today the same Tories are in tough political shape.

The reversal of their fortunes is all the more striking because the Tories were able, in 1955, to transform a very thin majority in Parliament into a comfortable one. This set a record extending backward over decades; for there is a normal swing of the pendulum between the two main political parties, Conservative and Labor, and this swing is usually against the party in power.

Several reasons, positive and negative, explain the Conservative success in that election. Sir Anthony Eden, who had recently succeeded Sir Winston Churchill as leader of the party, was basking in the glow of a number of diplomatic achievements, including the settlement of the long dispute about how West Germany should be rearmed and the ending of the war in Indo-China.

At home also Conservative prestige stood high. Food rationing and many vexatious controls maintained by the previous Labor governments had been abolished, and without any horrendous consequences.

And the opposition Labor party, as a challenger, suffered from several handicaps. It stood broadly for two main things—the welfare state, with every form of social security from the cradle to the grave, and an undefined amount of nationalization of key industries and transportation enterprises. The first of these was popular; the second a matter of general indifference.

Labor's Split

But the Conservatives took over in substance the structure of the welfare state, merely making a few changes in detail, very much as the Eisenhower Republicans accepted most of the social legislation of the the New Deal. Moreover, there was a pronounced gulf between the views of the more moderate Laborites under the present party leader, Hugh Gaitskell, and the more radical wing led by the fiery Welsh ex-miner Aneurin Bevan, on German rearmament and some other issues.

Now, only two years later, it is generally agreed that if an election were to be held today Labor would win by a substantial majority of perhaps 75 to 100 seats. A basis of judgment is afforded by the by-elections held to fill vacancies which occur in the membership of Parliament and by public opinion polls.

There has been a consistent drop in Conservative votes in by-elections. And the June public opinion polls show the Conservatives 8.5 points behind Labor. At the low point in their political slump they were 11.5 points behind.

Asked for his opinion about the causes of his party's decline in popularity, Peter Fraser, head of the Conservative party research department and a leading party organizer, offered the following explanation:

"One can put it down to two main causes: Inflation and Suez. Prices were fairly stable in 1953 and 1954. But the intensive industrial boom of these last years, the annual wage increases for the trade unions, the pressure on raw materials, made for the resumption of an upward trend in prices. And this hit rather hard people living on pensions, trust funds and other fixed incomes, or on types of salaries which do not move up as rapidly as industrial wages. Many of these people normally vote Conservative. A study of by-election figures shows a drop in the Conservative vote, rather than a rise in the labor vote.

"Then there was Suez and as the party in power we had to take the consequences. It is not that the landing in Egypt was unpopular; the only occasion since late 1955 when we were ahead of Labor on the public opinion polls was when we were taking action in Egypt. But the subsequent withdrawal without achieving any visible objective led to a sense of letdown and frustration, and this is the second principal factor in our present slump."

It Could Be Worse

Mr. Fraser added, however: "We are not too downhearted. There was a time in 1952 when we were 10 points behind in the public opinion poll. We were six points behind only nine months before the election of 1955."

Whereas a visit to the office of the Secretary of the Labor party, Morgan Phillips, produced an armful of free literature spelling out the Labor program on a large variety of subjects, Mr. Fraser dispensed only a small leaflet showing that there had been steady tax reduction under the Conservative administrations.

"As the party in power," he explained, "we are trying to make our impression by what we do rather than by what we say. But, if one were to sum up briefly the difference between us and our Labor opponents it would be as follows. We are the party of opportunity. Labor is the party of equality. We are under no illusion about the hard fight we face at the next election. But we are not counting ourselves out. And, the more radical the Labor party program, the better we shall be satisfied."

Mr. Fraser denied that the Conservatives are an exclusively middle-class party, although he estimated that 80% or 90% of the middle-class vote is Conservative. But this would not be enough to produce the 13 million votes polled by the Conservatives at the last election. It seems that between a quarter and a third of the British workers vote Conservative; and this is a potent political argument against taking the tough measures in pruning welfare state extravagance and resisting wage increase demands which some economists consider essential if inflation is to be curbed.

Probable Strategy

British political practice gives the party in power the advantage of being able to call an election whenever it chooses, subject to the condition that no Parliament may remain in session more than five years. So the likely strategy of Prime Minister Macmillan and his colleagues is to wait at least two more years, by which time Suez will have been almost forgotten and some of the present measures of the government, such as decontrol of many rents, will look better after they have had time to work out.

The odds, if only because of the general rule of the swing of the pendulum, would seem to favor another period of Labor administration. But Mr. Macmillan has the reputation here of being a tough and wily politician who will take advantage of any rift that may appear in the Labor front.

Who's News

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Commerce and Industry

Stanley Home Products, Inc., (Westfield, Mass.)—Foster E. Goodrich was named vice president, sales, of this manufacturer of household goods.

Sunshine Biscuits, Inc. (Long Island City, N. Y.)—William P. Myhan was appointed vice president, employe relations.

Kennecott Copper Corp. (New York)—Lowell B. Moon was named development manager, in charge of engineering phases of the company's exploration activities.

American Home Products Corp. (New York)—William F. Laporte was elected a director.

Midwestern Instruments, Inc. (Tulsa, Okla.)—Belmont Towbin and Phillip Hettleman were elected directors of this producer of galvanometers, oscillographs, and geophysical equipment.

Mercast Corp. (New York)—Jack S. Warshauer and Frank W. Glaser were appointed vice presidents of this manufacturer of precision castings.

Testlab Corp. (Chicago)—Bert R. Prall was named treasurer and a director of this maker and marketer of equipment for engineering and testing soils, bituminous and concrete materials.

Finance

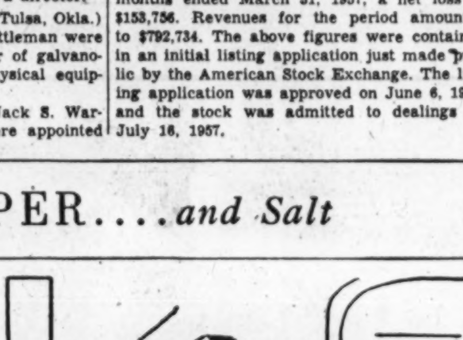
Barret, Fitch, North & Co. (Kansas City)—Frank W. North was appointed executive vice president of this investment banking firm. James D. McBride and E. Stephen Brown were named vice presidents.

Pan American Bank of Miami (Miami)—George D. Fahrner was named executive vice president.

Galkeno Mines

GALKENO MINES, LTD., reports for six months ended March 31, 1957, a net loss of $153,756. Revenues for the period amounted to $792,734. The above figures were contained in an initial listing application just made public by the American Stock Exchange. The listing application was approved on June 6, 1957, and the stock was admitted to dealings on July 16, 1957.

PEPPER....and Salt



"George is so handy around the house, when anything needs repairing he knows exactly whom to call."

Rake-Off

My wife doesn't mind
If I count myself in
On a game with the fellows,
Because if I win,

What can I say
If she buys a new dress?
If I lose, she'll buy two—
I can say even less!

—Thomas Usk.

Marked Man

A city detective called in to assist a small town constable in his search for a prominent socialite who had disappeared under rather mysterious circumstances, inquired if the local officer had procured a fingerprint of the missing woman.

"Nope, I hain't," the constable replied. "Doubt if I can—she kept such a neat house." He reflected for a moment, and then, with a chuckle, added, "But I guess I can get her thumbprint."

"Where is it?" asked the detective.

"On her husband," the constable cackled. "He's been under her thumb for twenty years."

My Girl

It's her idea that a tonsorial parlor is a place where they take out tonsils. That mastoids are large dogs, and that only very smart people get Bright's disease.

She thinks that a surgeon is a large fish, that a general practitioner is a soldier who is practicing to be a general, and that homeopaths are the best because they're the roads that lead to home.

After I'd broke my arm I tried to explain to her what a compound fracture was. She said it wasn't any use; that she'd studied them in school and was always poor in arithmetic.

She thinks a minor operation is one that a child undergoes, that anaesthetic is a type of classical dancing; that persiflage is a green vegetable belonging to the spinach family and pot-pourri a French dish served in hot little pots.

Definition—

Memory Expert: A woman who has once been told another woman's right age.

Themes and Variations

• • •

Discovering America

FRANKLIN, Maine—We hear air travel has increased 266% in the past decade, and heaven knows what the next will bring. It's time somebody viewed the trend with alarm. The peril, and we call it dire, is that the public will be lulled into believing a lie: That America has become small.

When you breakfast on the Eastern seacoast and arrive at the Pacific in time to dine, the myth is overwhelmingly plausible. Very soon the jet-liners will get you there in time for a second breakfast, and then the matter will seem beyond argument. And the worst thing is that the nation seen from a plane's plastic window, four miles up, is not merely minute but contemptible; the Mississippi is a squiggle, the Rockies are wrinkles, and the salt desert of Utah a trivial blotch.

An antidote to this poison is available. Take the family sedan and fill it with wife, three or so youngsters, the cat, and overmuch luggage for all—then spend a dozen days driving across the continent. It is not fun. It is educational. We have completed a round trip, and can certify it. The land is still vast, the people varied. The Sierras are precipitous; the Yellowstone is first a plunging torrent and then a great lazy swirl; the prairies are endless; the Great Lakes too wide to sight the distant shore.

There is shocking ugliness, as where miners and smelters have left a blackened moon landscape. There is unforgettable beauty, as in the flowered Alpine scene around Wyoming's Jackson Hole. There is the surprise of Idaho, with its Dutch canals lacing a landscape of Middle West farms; and of Iowa, not for its cornfields but for its rolling woods and streams.

And there is the evening poetry of waves lapping the northern peninsula of Michigan. North of the border the fisherman is rowing through the mist of the Ottawa River; seeing a friend on shore, he holds up a pike as long as his arm. Uncaught, untamed, are the deer, the elk, the bear, and the waddling porcupine seen at the highway's edge.

French Fried Parking

In the transcontinental airliner, as in a dentist's waiting room, you can read the mass magazines. In the transcontinental auto, however, you can read the roadside signs and billboards: "Our Gas Contains Lanolin — It Keeps Your Pistons Soft and Lovely." "Rattlesnake Picnic Grounds — Tourists Welcome." "Flying A Ranch Wedding Chapel." "Light Lunch — French Fried Parking." "Educated Night Crawlers." "Aw-Kumon Inn." The humor of America, broad, even crude, but bubbling.

There is something to be said for the billboard, crassly commercial though it may be. It is pleasant to know that Cactus Pete sells a quarter-pound hamburger for 15 cents, even though it's not mealtime in Nevada when one passes by. One is confident that the Stinker Stations must sell excellent gasoline, though one's credit card is good for a different brand.

Americans are a humorous race, and a commercial race, and also slightly sentimental. The local Lions and others welcome you to a thousand hamlets. In the center of town they're likely to suggest that "If you lived here, you'd be home now." And at the far outskirts is a wistfully resigned sign, like the one here in Franklin: "Sorry You Are Leaving."

Mere boosterism? Perhaps. But these Americans across the nation are really a pretty friendly people. Stop your car in open country and a little white-haired lady will pull up her Plymouth, bearing Florida tags, to see if you're in trouble and whether she can help. The motelkeeper who is full-up and can make no money from you rings up the next town and reserves rooms for you in the hotel.

Motorist's Haven

The small-town hotel, incidentally, is the salvation of the motorist who drives late. It is empty nowadays, except for a few local folks who are down in the lobby watching TV. The rugs are frayed, but the hotelkeeper is delighted to see you, and his price is a fraction of the neighboring motel's. At Forsyth, Montana, five people and the cat sleep comfortably for $7.

Americans talk a lot, perhaps especially to strangers, and not just about the weather. Give them a three-minute chance and they'll start telling not only their life stories but where their grandmothers came from. At the curbstone in a Wyoming town an elderly locomotive engineer reviews his history and concludes that maybe he went into the wrong line of work. Such casual confession may explain how most of the population manages to get along without talking at psychiatrists.

Having viewed with alarm, one may also note reassuringly that many families are discovering the sprawling surface of this continent by car. In a single passage from California to New England the kids, killing time in the back seat, spot license plates from 47 states (doesn't anyone ever budge out of Delaware?), the District of Columbia, Alaska, Hawaii and five provinces of Canada. Prize travelers, by this sampling, seem to be the folk of Iowa. Which may prove Iowans are a sensible people—or perhaps that the farm states are more prosperous than some politicians would have you believe.

—HENRY GEMMILL

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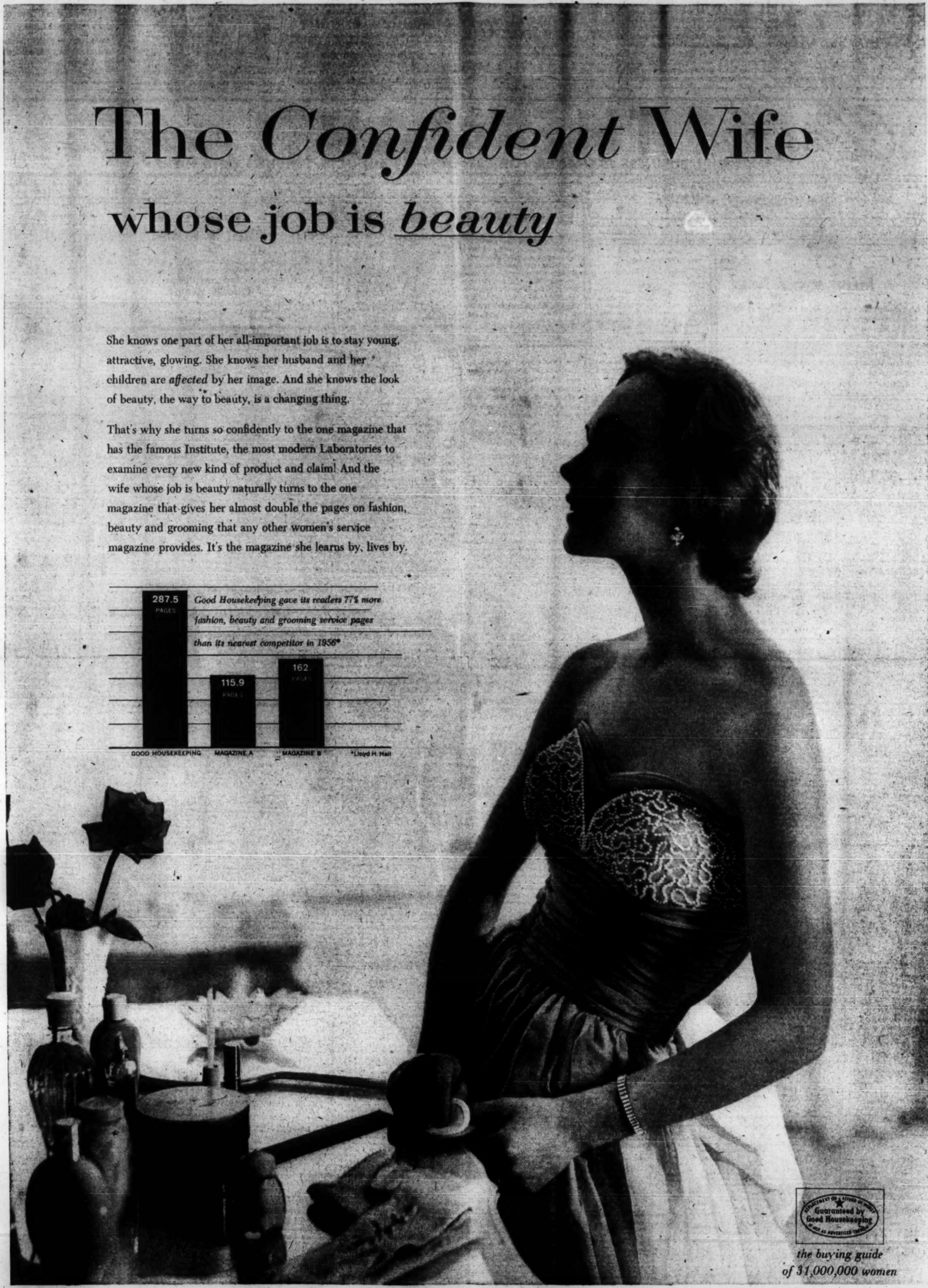

She's so sure when Good Housekeeping says so

A HEARST MAGAZINE

Lincoln Ends Output Of 1957 Cars; To Start On 1958s August 1

By a WALL STREET JOURNAL *Staff Reporter*

DETROIT—Production of 1957 Lincoln automobiles ended with the completion of 41,123 cars.

The shutdown also marked the end of Lincoln production at the Wayne, Mich., plant, which has assembled Lincoln cars since 1952. Lincoln will move to its new plant at Wixom, Mich., and the Wayne facilities it vacates will be used to produce Ford Motor Co.'s new entry into the medium price field, the Edsel. Mercury cars also are built at Wayne.

Lincoln reported it shut off 1957 production one month earlier than the normal time to permit the start-up of Edsel production at Wayne. The 1957 model run was the third largest for the division. Lincoln built 73,507 cars in the 1949 model year, which was actually an 18-month period. It turned out 50,322 of the 1956 models.

Initial production of 1958-model Lincolns is scheduled to begin at Wixom on August 1. Annual production capacity of the plant is 112,000 units on a straight-time, two-turn basis. The plant, which has 1,300,000 square feet of floor space, is 28 miles northwest of downtown Detroit.

All Lincoln production has been concentrated at Wayne since early in 1956, when assemblies in Los Angeles were discontinued. Assemblies began at both Wayne and Los Angeles in 1952, when the division moved from the old Lincoln plant in Detroit, which had been in use since 1922.

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I am seeking a responsible position as administrative assistant to a key management man. I have had 17 years of both small company and large corporation experience. My responsibilities have included these activities: sales record analysis, development of sales loadings, market research, budget development and administration, development and maintenance of management control records. Location: New York or vicinity. Resume available upon request.

Write: Industrial Research Associates, P. O. Box 274, Philadelphia, Pa.

SALES ENGINEER
PLANT MANAGER
FOREIGN DOMESTIC
Diversified experience: Plant Manager 3 years-Venezuela, sales engineering, design, estimates, production. Construction 4 years, highways, streets, sewers. BSCE Age 31. Married. Seek challenging work load covered by salary, incentive, management advancement, with company emphasizing growth. Available September 1, 1957.
Box A-166, Wall Street Journal

Salesman, Latin America—U. S. citizen, 34, married, children, resident Havana, Cuba; 8 years experience selling bottling machinery Mexico and West Indies for leading American manufacturer; fluent Spanish and Portuguese. Desires sales position operating from Havana. Call COrtlandt 7-0930. Box Z-23, The Wall Street Journal.

Sales Engineer and/or Management Aggressive young man, age 34, 6 yrs. College, 2 degrees. Former administrative Asst. to U. S. Congressman. Excellent background in management and sales. Currently in Mill and Industrial supplies. Will travel and/or relocate U.S.A. or Foreign.
Box A-224, The Wall Street Journal

Administrative Assistant to Sales Manager. College graduate, 25, 3 years varied experience in sales surveys and analyses, report preparation handling sales correspondence and controls. Good troubleshooter, expediter, able to carry out assignments with minimum of supervision. Will travel. Box C-2, The Wall Street Journal.

PRINCETON economics grad. Married, age 32, 7 years diversified insurance and financial exp. New York and overseas. Seeks management opportunity. Excellent appearance and personality. Will relocate, $10,000. Box Y-250, The Wall Street Journal.

Personnel Manager 35, BBA. Broad-gauged non specialist. Labor Relations, Supervision, Administrative Background. Humanities, Engineering, Business Education.
Box C-3, The Wall Street Journal
44 Broad St., New York 4, N. Y.

SALES-MARKETING EXECUTIVE
Mature sales success—44—excellent 15 years sales record business machines. Plus management consulting background. Will relocate. Good salary and bonus required.
Box A-167, The Wall Street Journal

Jr. SALES. Williams Grad. Yg. married desires position with gd advan poss. Excellent appearance, personality. $5,000. Alberta Smyth Agency, 150 Fulton St., N.Y.C. Re 2-8788. Att: Loretta Broderick.

International Specialist: liaison govts & internat'l organizations, pubrel, foreign economic research. Fr., Ger., Span. Ivy League, 36, excel. appearance, will travel. Box C-5, The Wall Street Journal.

Engineer—28, seeking technical position requiring sales exp. and business aptitude—6 yrs. exp. in electrical and mechanical equipment. MO 7-4319—TE 4-3643 or Box A-231, The Wall Street Journal.

SAVING & LOAN EXAMINER
Desires executive position. Competent, 20 years experience in all phases of accounting. Will relocate.
Box A-131, The Wall Street Journal

CHALLENGE NOT ENOUGH
NEED $7500 SALES ENGR.
Box A-223 The Wall Street Journal

POSITIONS AVAILABLE—MALE

SALESMEN
$10,000 - $20,000

The Stevens-Davis Company, founded in 1904, pioneered and is the leader in human relations and sales training. We sell highly dignified business services to presidents and owners of businesses.

WE OFFER
A fully protected franchise on a valuable territory, **at no expense or investment on your part.** In fact, we pay a bonus while in training. Liberal commissions and bonus arrangement assures the man chosen far above average earnings.

PLUS
A permanent connection, group and health insurance, hospitalization, profit sharing, and most important of all, sales help in the field to assure your success.

WE WANT
A few men of confidence who see selling as a profession, who have sold business services, advertising or high priced tangibles where the "idea" is sold. He must be between 35 and 50 years of age, above average, have imagination and a demonstrated record of sales.

All replies confidential. Write giving age and outline of your sales experience. R. C. Montgomery, The Stevens-Davis Company, 600 W. Jackson Blvd., Chicago 6, Illinois.

ADMINISTRATIVE ASSISTANT
Man with good appearance & manner who can get cooperation from others. Ability to analyze, find true issues, come to logical conclusions, organize subject matter, then write concisely & exactly. Reports to ass't to President, edits co. operating manual, designs paper work systems, assists in formulating co. practices. $6,000-$8,000. Company (12 yrs. old, 900 employees) engaged in development & manufacture of electronic equipment.
Write: J. B. McCartney
STAVID ENGINEERING, INC.
ROUTE 22 PLAINFIELD, N. J.

WANTED
Efficient Executive
To manage manufacturing case goods plant (eastern location). Experience should embody all phases of operation—knowledge of production, merchandising, sales and styling. AAA1 firm with present volume over $3,000,000. Salary open. Give complete personal resume, in reply, stating salary desired and availability.
Box A-163
The Wall Street Journal

SALES MANAGER
For new department by large textile sewing company to develop Marine Textile Products. Salary commensurate with ability. Send complete resume to Crawford Manufacturing Co., Richmond, Va.

FORT LAUDERDALE, FLORIDA
Excellent opportunity for Electrical Engineer or Physicist age 28-35 in financially sound Florida company. Experience in computer circuitry, magnetic amplifiers or test logic equipment desirable. Salary commensurate with experience and ability. Submit work resume, references and salary requirements. Reply to—
Davis, P. O. Box 6038
Fort Lauderdale, Florida

SAVINGS & LOAN EXECUTIVE
Wanted to take full management responsibility in newly organized association. Ideal location in Central New Jersey. Savings and loan or equivalent experience necessary. Sufficient imagination and iniative required to recognize future salary potential. Submit complete resume. Box Y-229, The Wall Street Journal

COST ACCOUNTANT to be in charge of a small department. Metal stamping experience essential. Nationally known brand name company in the automotive field, which also does stampings for television. Excellent fringe benefits. State full experience and salary requirements in first letter.
Box A-179, The Wall Street Journal

SALES MANAGER
We are looking for a man, 30 to 45 years of age, with chemical or petroleum piping bkgr., Latin-American sales exp., for residence in Venezuela. Knowledge of Spanish essential. Salary open.
Box CT-220, The Wall Street Journal
711 W. Monroe, Chicago 90, Illinois

POSITIONS AVAILABLE—MALE

JET AIRCRAFT SALES REPRESENTATIVE
Leading Aircraft Company has immediate need for an imaginative and aggressive individual experienced in the sale of high priced airplanes to commercial and corporate users. Must be between 30 and 45 years of age. Flying background necessary. Must be willing to travel extensively. Excellent advancement possibilities. Salary $12,000-$14,000. Please send resume.
Box A-86
The Wall Street Journal

SECRETARY-EXECUTIVE
Excellent opportunity for outstanding stenographer with college degree (or equivalent) to assume responsible position in office of President, large chemical and pharmaceutical manufacturer, NYC area. Send complete letter outlining your age, education, business experience, secretarial skills and salary desired.
Box Y-233, The Wall Street Journal

SECURITIES
RETAIL SALES MANAGER
Good knowledge and wide experience in the field of securities. Able to build and develop a high calibre sales force. Also a man with heavy experience in the wholesaling of investment funds and a wide acquaintance with security dealers in the East. Both of these positions require relocation in the East, the salaries are open and there is a bonus arrangement.
Hamilton Agency,
50 Church St., N.Y.C.

PRODUCTION MANAGER
Expd. chemical engineer to run large plating & electro forming plant, for one of the largest & oldest companies in this field. Salary commensurate with ability.
Box Y-248, The Wall Street Journal

V.P.—FINANCE
$44,000
A packaged goods firm is seeking a V.P. to assume charge of finance. Applicant must be a CPA with a thoro knowledge of corporate taxes & presently earning in excess of $25,000. See Mr. Donohoe.
Edwards Agcy, 73 Warren St., NYC

POSITIONS WANTED—MALE

EUROPEAN MARKET
EXECUTIVE ENGINEER, naturalized American, native European, has worked extensively for American companies in Europe, project management, sales development. Languages, personal contacts. Desires position as mfrs. representative, liaison man, consultant in licensing, marketing problems.
Box Y-244, The Wall Street Journal

ADVERTISING — SALES EXECUTIVE
Aggressive executive 18 years experience in advertising, merchandising, sales promotion, public relations, sales and knowledge of management administration. Excellent record of accomplishment in food field. Will re-locate. Age 40. Available immediately.
Box Z-17, The Wall Street Journal

SALES EXECUTIVE
Age 35. Sales Management-Promotion, Merchandising. Creative selling. Have just sold interest in successful business. Can relocate anywhere. Inquire:
BOX A-36
The Wall Street Journal

Sales—West Coast
Experienced man well acquainted Metropolitan areas California, Oregon and Washington to handle West Coast territory for Eastern manufacturer. Has handled pharmaceuticals, furniture, garden equipment, stationery & other. Now available, interview New York vicinity.
Box Y-241, The Wall Street Journal

TAX ATTORNEY-CPA, LLM (Taxation). Age 28. Nt'l acct'g firm & internal revenue (Chief Counsel's Office) exp. Personable, energetic, adaptable. Relocate. $10-12,000. Alberta Smyth Agency, 150 Fulton St., N.Y.C. Re 2-8788. Att: Loretta Broderick.

YOUNG EXECUTIVE
Five years experience Securities Analysis & Sales. Oil Field Equipment sales and management. Age 38, Graduate, Registered Professional Petroleum Engineer.
Box 124-DT, The Wall Street Journal
911 Young St., Dallas 2, Texas

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CASH TO HEIRS
on Legacies — Trusts — Vested or Contingent Remainder Interests in Trusts. Tomorrow's Money Today.
Allied Investment Co.
20 S 15th St. Phila. 2, Pa.

CAPITAL TO INVEST

WANTED TO BUY NEW CAR DEALERSHIP
Ford or Chevrolet preferred. Have factory approval and ample capital.
Write Box A-202, The Wall Street Journal

Financing
Will assist you in securing private capital from non-managing investors. $50,000 to $250,000.
John L. Hall
51 East 42nd Street Yukon 6-6275

PHILADELPHIA AREA
$20,000 cash plus exceptional advertising, merchandsing and sales experience to offer small manufacturing or distributing company with future potential. Box A-230, The Wall Street Journal.

$10,000,000 for purchase and lease-back of realty and equipment. Ridgely Leasing Company, Inc., 122 E. 42nd Street, New York, N. Y., attention L. Stevenson.

CAPITAL WANTED

OPERATING CAPITAL DESIRED
Established well equipped construction company presently engaged in the construction of large commercial and industrial buildings in the heart of Florida's active West Coast area. Expansion of present operations requires additional capital. Past earnings substantial. Operations presently cover 100 mile radius.
Box A-140, The Wall Street Journal

BUSINESS CONNECTIONS

Distributors Wanted
Connecticut concern, est. 53 yrs. seeking new lines for direct selling to all industrial plants, heating and electrical contractors. Engineering department available if necessary for the sale of product. State if item ever sold in Connecticut and send catalogs, prices, discounts and any other pertinent information to Box A-194, The Wall Street Journal

YOUR AD TAKES YOU CLOSER TO THE BUYING ACTION IN THE MART.

BUSINESS OPPORTUNITIES

Exclusive Swimming Pool Franchise

Now available to handle the sales and installation of our concrete and vinyl low cost regulation size swimming pool 12x27 feet as featured in America's leading magazines to sell at $1095.00 installed. 36 months to pay. 20 year life liner. All sizes available. Guaranteed by 50 year old company with a AAA-one rating. Every home owner and motel a potential customer. This is an unusual opportunity for the right aggressive sales minded party to make $30,000 to $35,000 per year. No investment required to qualified responsible parties.

Phone Van Buren 6-7217, or write 3252 W. Franklin Blvd., Chicago 24, Ilinois

BUSINESS CONNECTIONS

Two sales executives desire to establish own sales agency covering New England area. Wish national product representation and will inventory up to $250,000. We have impressive sales background and experience and are interested in practically any products. Would consider purchasing existing agency.

Box A-234, Wall Street Journal

WASHINGTON RELATIONS
Electronics, Missiles, Nuclear-Experienced in highest type representation this field. Will consider company, qualified for Defense production. Luxury suite and complete services ready for able management permanent government program.
Box A-208, The Wall Street Journal

Manufacturer's Representative
Leading pneumatic tool manufacturer requires active representation for the Eastern area on liberal commission basis. Building tools since 1932, selling industrial and automotive accounts. Write stating age, experience, lines presently being handled and territory covered.
Box A-226, The Wall Street Journal

Retired top executive with broad acquaintance in the Dallas-Ft. Worth industrial area. I am interested in serving as Manufacturer's Representative for reliable companies in the metal working field, either machine tools, manufacturing or basic metals.
Box A-156, The Wall Street Journal

Well established specialty item retailer with 9 full time salesmen looking for additional lines that will integrate and round out his line. Preference given to lines offered on an exclusive basis. Territories covered: Pa., N. Y., N. J., Del. and Md.
Box A-216, The Wall Street Journal

CONSULTING ENGINEER
based in Venezuela offers many years of stateside and South American experience to guide your South American investigations, constructions and operations.
Box A-71, The Wall Street Journal

TOP ENGINEER WILL INVEST .1 MILLION
in AAAA firm which would benefit from aggressive representation in Washington.
Box A-214, The Wall Street Journal

Wharton MBA Foreign Trade leaving for Europe Sept. Will rep. Res. on req., fluent Span. & Ital.
Box A-191, The Wall Street Journal

Businessman leaving for Paris August 1, situations wanted. Anything handled. ENdicott 9-6010.

BUSINESS OPPORTUNITIES

MOTEL—COURT
Well established and one of the South's finest. Member of the National Associations. The location is on U. S. Highway 301, one day's drive from Miami, Fla. 28 Rental units with wall to wall carpet, summer air conditioners, electric heat and TV's. Owner's apartment. Delightful filtered pool. There is an air conditioned restaurant for guests' convenience or meals can be served pool-side. Servant's house. Laundry. Plenty of room for expansion. Price to include restaurant is $225,000 with $100,000. down. For personal inspection write, wire or call—
JOHN N. JONES CO.
P. O. Box 178 Brunswick, Ga.

FLORIDA
Photo engraving plant in one of Florida's most beautiful and fastest growing cities. Reputation for quality and service since 1929. Brand new color separation equipment. Ample room for expansion. Net earning capacity $30,000 annually for one familiar with the trade. Inquiries invited only from those experienced in the industry. May deal direct with owner.
Box A-225, The Wall Street Journal

CENTRAL VIRGINIA
Old established mercantile business — complete line — modern equipment. Reported sales for 1956 of $50,000.00, increasing each year, minimum net profit return of twenty per cent. Ample space for expansion. Ideal for couple. Owner has other interests. Also available, jointly or separately, living quarters and up to 26 acres. Interview by appointment only.
Box A-187, The Wall Street Journal

FOR SALE
SOUTH. CALIF.
TRUCK LINE
Common carrier, $1,000,000 yearly gross. PUC certificates only. Registered with ICC. Principals only. Non-carrier preferred. Must be prepared to pay cash.
Box 175-U, The Wall Street Journal
2999 W. 6th Street,
Los Angeles 5, Calif.

Tool, die and machine shop, excellent location, real estate and machinery at sacrifice prices. Illness forces sale. Plant now operating. Liberal terms if desired.
Box Y-242, The Wall Street Journal

MODERN CAR WASH FOR SALE
Owner other interests. Must have cash for quick sale. In Atlantic City, New Jersey.
Box A-211, The Wall Street Journal

Small business with established reputation in producing patented metal product is available for sale.
Box C-1, The Wall Street Journal

BUSINESS OPPORTUNITIES

OIL OPERATOR
Will share drilling costs on offset wells in Ohio. Wells in area are coming in at rate of 100 to 600 barrels per day. Have excellent block of leases. Opportunity to convert taxable income into capital assets.
Box A-228, Wall Street Journal

HOTEL—Downtown Richmond, Va. 70 rooms, 70 tiled baths; all new furnishings; rooms from $4.50 to $9.00 per person; filled every weekend; located right in the heart of the retail business and Banking District, between Broad & Main Streets. $275,000 takes all.
For particulars and pictures, write
J. E. Timberlake,
2907 Park Avenue, Richmond, Va.

Small manufacturer wishes to sell manufacturing set-up for highly concentrated garden hose fertilizer pellet (Patent Pending) to company with distribution. Present management optional.
Box A-184
The Wall Street Journal

TEXTILES WANTED
Will Buy Any Type Textile Plants — Inventories — Capital Stock — Outright—Brokers Protected—Confidential.
Box A-232, Wall Street Journal

START YOUR OWN BUSINESS
Profitable exclusive distributorship available to top salesmen selling business records including Income Tax service. You **don't** have to be a tax expert. Our organization does all the tax work. Inventory investment at strictly wholesale $3950. No franchise charge. Complete training. Write stating territory desired.
Your Income Tax Records Inc.,
15 Park Row, N. Y. 38

COMPLETE MACHINE SHOP
Laminating Plant & Fabricating 20 Acres, Deep Canal—R.R. Siding—Perfect for Boat Building, employs 300 up. Sales run in the millions.

For a group, a large bank investment-control.
Harry Jenkins
JONES REAL ESTATE
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ARE YOU PROFITABLY SELLING THE CHICAGO MARKET?
We have an aggressive sales organization, complete office staff, central location. Can give intensive coverage of Chicago market at lowest sales cost.
William J. Leighton
554 W. Adams Street
Chicago, Illinois

AUSTIN LIMESTONE PROPERTY FOR SALE
Austin Stone Industries, Inc., in Central Texas. Estimated value of land and stone, $300,000; processing plant and equipment, $280,000. Negotiated sale. Address
Leroy Hicks, Trustee in Bankruptcy
1009 Majestic Bldg.,
San Antonio, Texas

BUSINESS MAN engaged for the past 6 years in buying and selling Orange groves needs investor with $10,000 to $25,000 to purchase Orange Groves for resale. Money secured. Large profits and a quick turnover anticipated.
H. PAGELS
32 E. Pine Street
Orlando, Florida Ph. 3-2808

For Sale to Close E[illegible]ate
CHRYSLER-PLYMOUTH & INT. TRUCK AGENCY. Modern Brick & Steel Garage. 10 Acres land fronting 650 Ft. on U.S. Route 30. South Central Penna. A desirable Trucking Terminal Location.
Box A-198, The Wall Street Journal

FREE CATALOG
Hundreds of bargains on Business farms and income property for sale throughout U.S. Deal direct with owner. Write U.S. BUYERS DIGEST, 1608 Hilhurst, Dept. WS, Los Angeles 27, California.

HATCHERY AND FEED MILL
BIG $30,000 profits! Landmark 44 yrs; modern hatcheries; bldgs; feed mill; 2 apts; 15 acres. Act! Mr. Quimby.
Box A-203, The Wall Street Journal

GARAGE & PARKING LOT
One large unit for lease. Owner other interests. Must have $75,000 to negotiate. Atlantic City, New Jersey.
Box A-195, The Wall Street Journal

For sale: Excellent Business, Grocery & Meats. Modern Living Quarters. Gross last year $100,000.
O'Neill's I G A, Owego, N. Y.

POULTRY—EGGS $72,270 Profits!! Yes! $72,270 profits!! Lifetime oppty! Substantial wholesale & Export trade. Big business. Details. Mr. Raboff.
Box A-168, The Wall Street Journal

For sale, Furnished beautiful Bridge Club, living quarters, excellent location, parking. Owner retiring; Terms. Jack Kushner, 128 Mill St., Springfield, Mass.

Outright purchase of established product with history of profits. Moderate cash available. Strictest confidence.
BOX Y-228
The Wall Street Journal

Will buy control of listed Corporation. Send details to Box V-242, The Wall Street Journal.

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FOR SALE
MERCURY ARC RECTIFIERS
Very modern General Electric—like new, several units of 4,000 amps. each, 600 volts D.C., 13,800 volts A.C. Complete with transformers and all controls.
IN OUR STOCK AND IMMEDIATELY AVAILABLE
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Specialist on power generation, steam, hydro, diesel, or atomic plants, also power and steam distribution. Reports prepared. Write L. Ray Biggs, 1825 Nott Street, Schenectady, New York.

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2 Sets Calender Rolls, 62" width, 20" dia. rolls, max. opening 3"
1 Swenson Double Effect Evaporator, 4' 3" x 6' 0".
Haveg Industries
Attn. Mr. Scott V. Norris
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WARNER & SWASEY
5 spindle automatic screw machine 2¼ INCH CAPACITY
Extensive tooling available
Machine only used on short run precision parts. New in 1951. Price $25,000.
Contact Mr. H. Maraynes
WOrth 6-1133

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Industrial Bldg.—For Sale
Cannot be duplicated @ $7.25 Sq. Ft.! EXCELL. 1ST CLASS CONDITION! Operating now as metal warehouse.

Atlantic Brass & Copper Co., Inc.
328 St. Marks Ave. Bklyn. 38, N.Y.
(Bet. Underhill & Washington Aves.)

BRICK & STEEL—APPROX. 10,000 SQ. FT.
One Floor . . . Drive in . . .
(14 ft. clearance), approx. 16 ft. ceiling HT. Wired for heavy power.

Two separate oil burning heating systems for ground floor & office; mono-rail system throughout; 4 electric chain hoists; corrugated steel roll-up door.

Also completely equipped AIR-COND. OFFICE, 25' X 50', (second floor front of Bldg.); three washrooms.

CAN BE INSPECTED BY APPOINTMENT ONLY.
PHONE UL 7-8000

Excellent Warehouse—Manufacturing Plant. Fire proof—masonry—steel roof—4 swanky air conditioned offices—11,000 sq. ft. $50,000. Contact Shidler, owner—500 North MacArthur Blvd., Oklahoma City, Okla.

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LEASE EXECUTIVE TWIN BEECHCRAFT
D-18s, Fully equipped. Engines just overhauled. $1750 per month, six months, or $1500 month for year.
For details:
Air Service, Inc.
P. O. Box 2580, Greensboro, N. C.
BR-56407

EXECUTIVE TWIN BEECHCRAFT. 700 hours since Remmert Werner custom conversion at cost of over $30,000.00. Excellent radio. Large cabin. Large windows. New condition. Very attractive price.
Air Service, Inc.
P. O. Box 2580, Greensboro, N. C.
BR-56407

Cessna 180 late '55—full panel—was $12,000, now $9,500 if sold this month.
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Aircraft brokerage service of a leading aircraft sales and service organization. To buy or sell executive aircrafts, phone POPLAR 7-8918, LANTA AIRPORT, ATLANTA, GA. SOUTHERN AIRWAYS CO., AT-

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BULK OR SACK.
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Also European white cement.
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TRUCK LOADS, CARLOADS, SHIPLOADS—100,000 bags—foreign—arriving. July 25th. Optional east coast ports delivery.
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$1,529 2nd mtge. on N. J. property, 6% interest. Monthly payments of $42.28 incl. interest & princ. 29 months to go. Disct 14½%. Ask for J-289. Call: OLympia 7-4500, or write Attorneys, 179-30 Hillside Ave., Jamaica, L. I.-N. Y.

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Large furnished 4-bedroom house on 10 acres at Bolton Landing, Lake George, N. Y. Near golf course & only 35 miles from Saratoga Races. $400. Contact Emery Perreault, 100 Clermont St., Albany, N. Y. Tel. Albany 8-4320.

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INDUSTRIAL PLANT
CAMDEN, N. J.
250,000 to 350,000 SQUARE FEET, UNRESTRICTED

28 ACRES
including large air cond. office bldg. and parking space

6 MAIN BUILDINGS
Steel & brick, on one floor
880' L. x 133' W.
800' L. x 108' W.
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475' L. x 90' W.
270' L. x 45' W.
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- Steam & Electric Power
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1½ hours from New York
Contact owners:
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Are you interested in a large concrete and steel Showroom and Factory, 18,500 square feet, located on U.S. Highway. Modern in construction. Close to Post Office, Bank, Airport and Railroad Station. Property occupied but can be vacated. Owner wished to retire. In center of fastest growing area in Florida. For further information, owner, 1001 S. E. 8th Street, Fort Lauderdale, Florida.

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Near Madison
A 576 A. Ranch
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30 A. Crop land
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¾ M. front on Highway 90
$100 per acre
Reasonable terms
C. M. Plant—Madison, Florida

Weston, Mass. Real New England traditional 7 rm. house. 4 bdrms, 3 bths, ultra modern kitchen, screen porch, 2 car gar. 30,000 sq. ft. landscaped land. Less ½ hour frm Boston. Ready for immediate occupancy. $38,500. Write St. Germain, 99 Concord Rd., Weston. Tel: TW 3-4083.

Fine old English residence. Brick stone and stucco, 4 bedrooms, 4½ baths, recently renovated. Located Larchmont Woods. $36,000 Phone TE 4-1418 for appointment.

Industrial plant, railroad siding Bldg. 70' x 84'—High Stud Located in good labor town. Overhead crane —350 ft. inside Ideal for machinery or steel fabricating plant.
Box A-227, The Wall Street Journal

SOLOMONS, MARYLAND
45 ft. fronting Patuxent River to State road, creek in back, pier, good harbor, about 400 ft. deep. 12 room house, bath, and hardwood floors.
N. M. Dare, Solomons 2164

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GOOD INVESTMENT
Modern one-story office building located growing section downtown Pensacola completely rented to six tenants under written lease. Tenants responsible for own utilities and maintenance. Gross income $21,800. Expense including mortgage interest, insurance and taxes $7,458. Sale price $210,000. Present first mortgage balance $91,200 at 4½% with eighteen years to pay. Can be refinanced for larger sum if desired.
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BEAUTIFUL OLD COLONIAL VIRGINIA ESTATE
163 acres, ⅔ open; 2000 feet on State Highway. Old Colonial residence, fully restored and perfect condition; necessary out-buildings and farm machinery. $25,000 takes all. For particulars and pictures, write
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EXECUTIVE OFFER
SAN FRANCISCO
BAY AREA HOME
In beautiful Marin — a modern — 4 bedrooms, 3½ baths, rumpus room, 3 patios—maid's quarters. Family comfort. Owner will help finance. Free Brochure available. $62,500.
Nipper and Marchant, Realtors
208 Sir Francis Drake Boulevard
San Anselmo, California

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OUTSTANDING DOWNTOWN OFFICE SPACE
A few hundred feet from City Hall. Full 3rd floor, 3,750 sq. ft. in newly rebuilt, 3-story bldg., at 19 Park Place with another entrance at 18 Murray St. New self-service elevator with semi-private use. Ideal for accountant, architect, record or financial office, insurance, sales. Rental $9,000 per annum. The Edward O'Toole Co. BArclay 7-4950.

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5,000 Sq. Ft. (R.E. Bd. Measurements), AIR-CONDITIONED, handsomely appointed, river view, immediate possession at $22,400 per annum.
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OPPOSITE N.Y. STOCK EXCHANGE
Attractive 3,000 Sq. Ft. Unit
16th flr. 3 exposures. Immed. Occup.
HELMSLEY-SPEAR, INC.
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20,000 square feet office space.
Heart of golden triangle.
50¢ per sq. ft.
Call Mr. Berger—ATlantic 1-4800
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Several small individual and a few large offices for immediate occupancy.
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At George Washington Bridge 4,000 sq. ft. new office building—air conditioned. Immediate Occupancy. Call LOwell 7-1750

HEMPSTEAD—10,500 FT.
Well lighted, air conditioned, centrally located, short term with option. Sacrifice—$1.50 per ft. Pioneer 1-4350.

Ideal central Connecticut office. 1600 Ft. Modern bldg. Insurance branch, Mfg. Rep., etc. Parking. 20 Isham Rd., West Hartford, ADams 6-2571.

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Several small islands. Ninety years lease. $5,000 up. $200 year rent. 35 miles south Nassau at Ship Channel Cays or beginning of Exumas. Boat and plane service. Construction arranged.
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Washington at Work

White House

Scribner: President Eisenhower nominated Fred C. Scribner, Jr., an Assistant Treasury Secretary, for promotion to Under Secretary. He would fill the position left vacant by the resignation of H. Chapman Rose in January, 1956. No successor has been named to replace W. Randolph Burgess, who has resigned as the other Treasury under Secretary.

Surplus Disposal: President Eisenhower reported the Agriculture Department arranged to unload $575.2 million of farm commodities under the key surplus disposal law during the first half of this year. That compared with $1.7 billion in the preceding six months and $1.3 billion in the first half of last year.

Congress

Atomic: A House-Senate Atomic Energy subcommittee discussed in executive session proposals for new atomic power reactor projects, but came to no conclusion and will meet again today.

Railroad Purchase: Rep. Karsten (D., Mo.) asked the House Commerce and Government Operations Committees to investigate the Interstate Commerce Commission Finance Division's decision approving purchase of controlling interest in the Central of Georgia Railway Co. by the St. Louis-San Francisco Railway Co.

Banking: Comptroller of the Currency Ray M. Gidney, testifying before the House Banking Committee, said the appropriate Federal banking agencies, rather than the Justice Department, should be granted authority to approve bank mergers.

Farm Loans: An Agriculture Department spokesman testified before a House Agriculture subcommittee in opposition to a measure (H.R. 8362) that would allow farmers in disaster areas to put off for one year payments of principal and interest on Government farm loans.

Chemical Additives: H. T. Austern, of the National Canners Association, supported legislation for tighter Federal controls over chemical additives in food. He told a House Commerce subcommittee, however, the safety problem "is not major or acute" with canned food.

Virgin Islands Corp: The House Government Operations Committee approved a report recommending a three to five-year test period during which Congress should study the Virgin Islands Corp. with a view towards disposing of its sugar operations to private industry or the Islands' government.

Defense Funds: House-Senate appropriation conferees voted to give the Defense Department $33.8 billion of new appropriations for the current fiscal year, close to $2.4 billion below the budget request. The figure was only $197 million higher than the original House figure.

Wheat Loss: A House Government Operations subcommittee opened hearings on the loss through spoilage of $12 million worth of surplus wheat stored in plastic tents by Burrus Mills Co., Dallas. An Agriculture Department official said the Government expects the company to repay the loss in full.

Wool: The House Ways and Means Committee approved a bill to permit duty-free imports under bond for three years of certain coarse wools used in carpet manufacturing.

Natural Gas: The House Rules Committee scheduled hearings starting Wednesday on clearing for floor action controversial legislation to relax Federal control over natural gas producers' prices.

Postal Pay: The House rejected Republican attempts to cut down the $320 million postal pay increase, but decided to delay a final vote until today.

Minerals: Spokesmen for the domestic lead and zinc industry and many Western state Senators appeared before the Senate Finance Committee to urge a sliding scale of excise taxes on imports of the two metals.

Royalty Income: The House Ways and Means Committee approved a bill to give tax relief to certain U. S. taxpayers who receive royalty income from the United Kingdom. The bill is similar to one the President vetoed last year.

Bureaus

Windfalls: The Justice Department announced its out-of-court settlement for $2,000,000 of its legal effort to recover $3,158,000 in alleged "windfall" profits on construction of Farragut Gardens, Brooklyn.

Housing Appointment: Julian H. Zimmerman, formerly Deputy General Counsel; was appointed General Counsel of the Housing and Home Finance Agency. He will succeed Oakley Hunter, who resigned effective August 9.

Merchant Fleet: The Maritime Administration reported the U. S. merchant fleet included 1,154 vessels of more than 1,000 gross tons on July 1, six ships less than the June 1 figure.

War Erupts at Loew's; President Asks Ouster Of Two as Directors

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Brownell as directors presumably give the Tomlinson forces current control of the board.

At the time of Mr. Reid's selection as the thirteenth director, the management's six candidates for the board included Mr. Vogel, Mr. Brownell, Mr. Pace, John L. Sullivan, former Secretary of the Navy; William A. Parker, chairman of Incorporated Investors, and George L. Killion, president of American President Lines, Ltd.

The Tomlinson nominees included Mr. Tomlinson, Mr. Meyer, Ray Lawson, a director of the Royal Bank of Canada, K. T. Keller, former chairman of Chrysler Corp., Louis A. Johnson, former Secretary of Defense, and Fred F. Florence, chief executive officer of the Republic National Bank of Dallas.

Mr. Vogel charged in his statement yesterday that Mr. Tomlinson seeks to become chairman of the board; Mr. Meyer, president, and Mr. Mayer, a paid adviser under contract to the studio. "This proposition, in various forms has constantly been proposed as the price of peace," Mr. Vogel charged.

Effects of Board Division Noted

He said that any absence of directors from board meetings "shifted the majority of the closely divided board, prevented the effective operation of the company, and subjected the officers to dire threats of seizure of control.

"In such an atmosphere, intrigue, conspiracy and political manipulation took the place of constructive business effort," Mr. Vogel stated.

He said that at the latest meeting of the board, July 12, several directors were absent. "Under these circumstances, an individual representing a management consulting firm was 'used' to suggest to the board it remove me and other key executives," Mr. Vogel stated.

Mr. Vogel charged that Mr. Tomlinson and Mr. Meyer exhibited "bad faith" shortly after the annual stockholder meeting February 28. "Although Mr. Tomlinson told stockholders at that meeting he was happy to sit with me, that very day he and Meyer set up a secret caucus and tried to swing incumbent directors behind his plan to make him chairman and Mr. Meyer president," Mr. Vogel said.

Mr. Vogel said he had called the special holders meeting "with the advice of directors, executives and stockholders who share my sense of obligation to the company, its owners, personnel and the public.

He Explains Silence

The Loew's president said he had remained silent for a long time "due to my desire not to expose internal quarrels lest this injure our company." This forbearance, he added, was mistaken as weakness and accelerated new attacks.

Mr. Vogel became president of Loew's late last fall. Shortly after he took over, Nicholas M. Schenck, long head of Loew's resigned as a director and honorary chairman. Mr. Vogel also terminated the contract of Dore Schary, production chief at M-G-M.

In May, he told the New York Society of Security Analysts that he had succeeded in paring by more than $2 million the annual rate of the M-G-M studio's overhead costs. "All phases of operation, including administration, purchasing and accounting continue under review," he said.

However, for the 16 weeks ended March 14, the company reported earnings of 18 cents a share, down from 31 cents in the like year-earlier period. Mr. Vogel said the decline was "due to disappointing box office returns."

Safeway Stores Sales

SAFEWAY STORES INC., report sales:

	1957	1956	Changes	%
4 wks July 13	$166,850,860	$157,847,289	+$9,003,571	5.7
28 wks July 13	1,117,369,739	1,049,099,652	+68,270,087	6.5
Strs in oper	2,017	1,986		

Philco Says It Had 'Modest' Net in 1st Half; Sales Rose $10 Million

By a WALL STREET JOURNAL Staff Reporter

PHILADELPHIA — Philco Corp. made a "modest profit" in the first half and sales were up about $10 million over the corresponding 1956 period, said James M. Skinner, Jr., president.

He said the second quarter was "nothing to be excited about but we were in the black." The June quarter produced a $686,000 loss a year ago for the electronics and appliance concern.

Earnings for the first half, Mr. Skinner said, "will be something over 30 cents a share." This would be up from 17 cents a share a year earlier, when the second quarter loss cut the six-month profit to $831,000.

In the first quarter this year, Philco reported net of $1,107,000, equal to 26 cents a share, down from $1,517,000, or 38 cents a share on slightly less stock a year earlier.

Sales for the 1957 first half totaled about $176 million, Mr. Skinner said, compared with a little under $166.9 million for the first half a year ago.

Business Milestones

Jones & Laughlin Buys Big Acreage in Texas, May Build Steel Plant

By a WALL STREET JOURNAL Staff Reporter

PITTSBURGH—Jones & Laughlin Steel Corp. has acquired a large acreage in Texas in what it terms a "first step" toward building a steel plant there.

Until the Government rejected fast write-offs for tax purposes for the steel industry last December, J. & L. had planned to put up a steel tubing mill in the vicinity of Houston at a cost of about $250 million. It then began "reconsidering" its plan.

Last night's announcement indicated the company is preparing to go ahead with construction when feasible, even though, as an official said, it has not yet made a formal decision to build.

The plant originally was contemplated as an integrated steel mill, with an iron-making blast furnace, four open hearth furnaces with a yearly capacity of one million tons of steel, and finishing facilities concentrated on the production of seamless steel pipe for the oil and gas industry. But currently, it's understood, there's no definite decision on whether the plant would have a wider product mix than seamless pipe.

The land acquired by J. & L. is a 2,700-acre tract in Chambers County, fronting on Galveston Bay and Cedar Bayou and providing ready access to the Houston Ship Canal.

It's "ideally suited for the construction of a steel mill," Jones & Laughlin said.

J. & L. emphasized that it "is not planning to proceed with construction in the near future" but that the acquisition "is a first step in that direction."

Du Pont Raises Prices Of Acetate Sheet Film Five Cents a Pound

A WALL STREET JOURNAL News Roundup

The Du Pont Co., Wilmington, Del., announced effective immediately it is raising by five cents a pound the price of acetate sheet film used in packaging, certain forms of plastic laminations and in magnetic tape bases.

Du Pont officials said the price of 88 gauge and 100 gauge acetate, the most commonly marketed types, goes to 93 cents a pound from 88 cents, 150 gauge to 98 cents from 93 cents a pound and the 200 gauge, or two mil size, to $1.03 a pound from 98 cents.

Officials for Celanese Corp. of America, which also makes acetate films, said they "are looking over the situation" but do not foresee "at the moment" any plans to alter their prices.

Eastman-Kodak Co., another producer of commercial acetate sheet film, announced net price increases, which went into effect June 15, of from 3% to 5% on large quantity shipments of all types of acetate sheet film.

Puts & Calls: They Perplex Many But Brokers Coax More Trading

Continued From First Page

since the call expired on April 29 with the stock selling for only $45⅝. He lost his $150.

Calls are the pets of bullish fellows who speculate wildly, and yet they can be a useful tool for an investor who is inclined toward conservatism. Take the case, for instance, of an investor who has seen a stock in his portfolio rise rapidly. He suspects it is likely to go on up a bit further. But he plays it safe, selling his stock and pocketing his profit. Then he uses a part of the proceeds to buy a call—gambling just a little on his idea that the stock will rise some more.

Puts, like calls, chiefly are bought by speculators—except that these individuals have a dark and bearish outlook.

Such a pessimist stepped into an option broker's office on February 8, and bought a put on none other than Lukens Steel, giving him the privilege of selling 100 shares of the stock any time up to April 16 for $48 a share. The put cost him $400, and unhappily Lukens shares rose sharply, hitting $84⅜ when the put expired, thus making the option worthless.

Profit From Misfortune

Put options, of course, also can turn out profitably. On December 12, 1956, an option buyer who frankly admits he is a speculator figured the fortunes of the Boeing Airplane Co. were about to worsen. So he paid $150 for a three-month put on 100 shares of the stock, giving him the right to unload the shares on the option seller at $59¾—some $5 less than the market price of the stock that day—no matter how much they dropped in value.

The gloomy gentleman got a jolt shortly after, when Boeing estimated its 1957 sales and net earnings might be larger than in 1956. But on February 27 the outlook dimmed for Boeing and brightened for the put buyer when the Defense Department disclosed that a decision would be made "within the next few months" on whether to continue building Boeing's B-52 intercontinental bomber. The stock nosedived and continued depressed. Just before the put contract ran out Boeing was selling at a fraction under $48. The speculator took a profit of about $1,000 after putting his stock to the option seller at $59¾ and deducting the cost of the put plus brokerage commissions.

Though it is not so frequently done, puts can be employed conservatively. An investor who is afraid one of his stocks is due for a decline, but who is sentimentally attached to the investment and hesitates to sell, can hedge the risk. With a put he gets the right to sell his stock close to the price prevailing when he purchases the option, even though the stock may later plunge.

Almost all of the nation's put and call traders transact their business through regular stock brokers who are members of the New York Stock Exchange. These get the requested contract from one of 26 specialized brokers who belong to the Put and Call Brokers and Dealers Association and are concentrated in Wall Street.

Ignorance Is Rife

These latter believe they are making good headway in ripping the mask of mystery from their business but admit there is still need for even more education. "At least 90% of the people in the stock market, including those who work here in the Street, don't understand options," says Philip Haab, partner in the big stock option house of Thomas, Haab & Botts. "We find that even registered representatives (customers' men) of some stock brokerage firms don't comprehend options," adds Herb Filer, Sr., the white-haired dean of the put and call dealers.

To publicize puts and calls, brokers have been plowing increasing amounts of cash into advertising their business. Broker Paul Karp, to mention one, says his firm's advertising budget has "increased 60% in the last five years alone." Herb Filer estimates his company will spend about $100,000 on advertising this year.

Much such money goes into newspaper ads listing special options the brokers have for sale. But the ads also frequently invite perplexed readers to write in for free booklets explaining what options are all about. The brokers report a lively interest in such works as "The ABC of Puts and Calls," distributed by Godnick & Son, "The Protective Merits of Put and Call Options" offered by broker Karp, and "Explaining Put and Call Options"—a reprint of an article for which the Encyclopedia Britannica paid broker Filer a $26 fee.

Selling investors on the advantages of puts and calls is the stock option broker's biggest promotional job. But an even tougher task is scaring up other traders who are willing to sell stock options. If there were no such, the dealers could not sell options, for every option to buy must be backed by stock ready for delivery. And every option to sell must be backed by somebody prepared to accept delivery.

Therefore the brokers closely guard their lists of option sellers, who are usually large and long-term owners of several actively traded securities. They include both individuals and corporate investors. Godnick & Son, for instance, has its list of some 1,000 option sellers stacked around a chromium-plated wheel-index that is stowed in the firm's safe every night.

Vow of Secrecy

The security that cloaks the identity of option sellers is so tight, as a matter of fact, that a reporter had to solemnly swear not to reveal a seller's identity before a broker would even consider divulging his name and phone number.

An interview with the man required a trip to a decaying warehouse in the heart of New York's Bowery. After passing two habitues polishing off a pint of cheap white wine, the trail led down a dark and dank hallway into an office ablaze with light. The option seller turned out to be an avuncular gentleman wearing a gray suit and bright bow tie, seated behind a tidy desk. In front of him was a two-foot long metal tray hinged with about 60 option contracts he had sold.

"I started noticing stock option advertisements back around 1942 or 1943," said the man we shall call Mr. Wolff, "and I figured it might be fun to buy some. I did, but I made very little out of them. Then an option broker paid me a visit. He had heard I was buying options and said I was nuts because a guy with my kind of portfolio should be selling them. He asked me to give him a list of the stocks I owned and said he'd call me up once or twice a week with offers to sell options."

That was 15 years ago. Today, Mr. Wolff deals with several option brokers who telephone him incessantly. "On the average," Mr. Wolff says, "I've come out damn well selling options, and have been averaging several thousand dollars a year in extra income."

An option seller like Mr. Wolff receives "premiums," cash equal to what the put or call buyer pays for his option, less the amount the broker receives for bringing the parties together.

No Set Commissions

Option brokers, unlike stock brokers, do not receive a predetermined commission on the trades they make. "Over the years we probably gross between 8% and 9% on the options we handle," says one of the biggest brokers in the business, "but on a specific option for 100 shares the amount we make may vary from say $12.50 to $37.50. This fee," he adds, "is what we get before deducting our expenses which can run pretty high. I've been trying to buy an option this morning and already have spent $8 on long distance telephone calls alone without finding a seller willing to write a contract."

It is axiomatic that when option buyers make money, option sellers lose money. And when option buyers lose out, option sellers gain. The following example shows how Mr. Wolff made some money at the expense of an investor who purchased a call from him.

"I've got a very substantial position in Baltimore & Ohio Railroad stock," says Mr. Wolff, "and on October 15, 1956, I sold a six-month and ten-day option on 100 shares of B.&O. and took in $512.50 for writing it. I agreed to deliver B.&O. shares to the call holder at $51⅝, but because B.&O. later declared $3.00 in dividends that I kept, I had to reduce the price at which I'd deliver the shares to $48. Now the B.&O. stock never got high enough above $48⅝ a share to make it profitable for the option holder to call for delivery of the shares at that price, so I pocketed the premium."

Mr. Wolff's illustration points up two vital facts about stock options. The first is that any dividends, rights, warrants, or other benefits declared on an optioned stock during the life of the contract go to the buyer of the put or call provided he exercises the contract. Put and call buyers also receive the benefits of any stock splits or other changes in the securities they have under option.

The second is that income taxes often play a pivotal role in determining the duration of a put or call contract. The call on B.&O. ran for six months and ten days which is an exceedingly popular length of time because it enables option buyers to turn any profits they make into less heavily taxed long term capital gains.

National Gypsum

NATIONAL GYPSUM CO. reports for six months ended June 30:

	1957	1956
a-Earned per common share	$1.57	$2.27
Sales	69,891,321	81,394,696
Net income after taxes	6,220,427	8,934,684

a-Based in both periods on 3,830,022 shares of common stock outstanding as of June 30, 1957, after allowing for preferred dividend requirements.

Digest of Earnings Reports

A summary of corporation reports appears below. Further details of the larger and more widely held companies appear elsewhere in this issue. Unless otherwise noted Federal taxes have been deducted in arriving at net income.

Monday, July 22, 1957:

Company:	Period	Net Income 1957	Net Income 1956	Earnings Per Common Share 1957	Earnings Per Common Share 1956
Alabama Power Co.	12 mos. June 30	15,959,623	14,843,500	....	....
Allis-Chalmers Mfg.	Quar. June 30	6,191,860	6,087,136	a.74	a.74
Allis-Chalmers Mfg.	6 mos. June 30	11,292,018	11,855,735	a1.36	a1.44
American Potash & Chemical	Quar. June 30	1,213,701	1,201,717	.61	.70
American Potash & Chemical	6 mos. June 30	2,485,332	2,396,625	1.25	1.39
Anchor Hocking Glass	6 mos. June 30	3,685,207	3,079,002	2.50	2.07
Bangor Hydro-Electric Co.	Quar. June 30	297,558	307,743	.63	.65
Bangor Hydro-Electric Co.	12 mos. June 30	1,246,530	1,134,048	2.65	2.25
Bridgeport Brass	6 mos. June 30	2,854,654	2,528,008	1.75	1.53
British-American Oil	6 mos. June 30	12,660,000	10,072,000	....	....
Catalin Corp. of America	6 mos. June 30	236,698	182,632	.22	.16
Central Vermont Pub. Service	12 mos. June 30	1,307,633	1,377,734	b1.13	b1.24
Checker Cab Mfg.	Quar. June 30	d252,151	d388,540	....	....
Checker Cab Mfg.	6 mos. June 30	d506,880	d638,270	....	....
Clopay Corp.	6 mos. June 30	238,787	d43,119	.33	....
Duval Sulphur & Potash	Quar. June 30	1,027,731	628,718	a.96	a.63
Duval Sulphur & Potash	12 mos. June 30	3,230,587	2,754,573	a3.02	a2.75
Fafnir Bearing Co.	6 mos. June 30	4,513,421	2,852,503	4.60	2.91
Filtrol Corp.	Quar. June 30	1,152,000	1,419,000	.88	1.08
Filtrol Corp.	6 mos. June 30	2,182,000	2,882,000	1.66	2.19
Firth Sterling, Inc.	Quar. June 30	414,400	289,400	a.31	a.26
Firth Sterling, Inc.	6 mos. June 30	812,400	508,000	a.61	a.45
Food Mart	Quar. June 29	245,524	200,082	....	....
Ford Motor Co.	Quar. June 30	70,500,000	58,000,000	b1.30	b1.07
Ford Motor Co.	6 mos. June 30	171,000,000	131,700,000	b3.15	b2.44
Gabriel Co.	Quar. June 30	242,072	30,213	.45	.04
Gabriel Co.	6 mos. June 30	424,994	105,114	.79	.18
General Portland Cement	Quar. June 30	2,223,600	2,573,600	1.06	1.24
General Portland Cement	6 mos. June 30	4,106,300	4,905,000	1.97	2.36
Georgia Power Co.	12 mos. June 30	16,743,863	14,479,975	....	....
Hanna (M. A.) Co.	Quar. June 30	4,971,373	4,212,551	1.61	1.36
Hanna (M. A.) Co.	6 mos. June 30	8,089,480	6,955,913	2.62	2.25
Hussmann Refrigerator	6 mos. June 30	1,151,780	1,209,595	.91	c.96
Kansas Power & Light Co.	Quar. June 30	1,817,298	1,639,368	.53	c.47
Kansas Power & Light Co.	6 mos. June 30	4,102,557	3,882,348	1.23	c1.16
Kansas Power & Light Co.	12 mos. June 30	7,108,419	6,429,521	2.09	c1.85
Keyes Fibre Co.	6 mos. June 30	769,026	707,083	.99	.90
Kimberly-Clark Corp.	Year Apr. 30	h24,820,590	h24,120,001	2.92	2.87
KLM-Royal Dutch Airlines	6 mos. June 30	2,046,000	1,652,000	a1.38	a1.34
KLM-Royal Dutch Airlines	12 mos. June 30	6,055,000	5,502,000	a4.09	a4.48
La Consolidada, S. A.	6 mos. June 30	954,227	k721,975	a1.35	a1.36
Liggett & Myers Tobacco	Quar. June 30	7,845,000	6,775,000	1.92	1.63
Liggett & Myers Tobacco	6 mos. June 30	13,271,000	12,206,000	3.21	2.93
Maine Public Service	12 mos. June 30	625,775	447,768	1.42	.94
Mallinckrodt Chemical Works	6 mos. June 30	440,699	218,528	1.02	.42
McNeil Mach & Engineering	6 mos. June 30	1,804,239	1,362,273	3.00	2.32
Minneapolis-Honeywell Reg.	Quar. June 30	5,049,351	5,024,250	.77	.77
Minneapolis-Honeywell Reg.	6 mos. June 30	10,304,470	9,560,314	1.56	1.46
Mississippi Power Co.	12 mos. June 30	2,780,549	2,431,605	....	....
Missouri Utilities Co.	6 mos. June 30	394,604	368,581	1.17	1.08
Missouri Utilities Co.	12 mos. June 30	650,498	656,761	1.87	1.90
Monarch Machine Tool	Quar. June 30	324,470	261,691	.77	.62
Monarch Machine Tool	6 mos. June 30	678,485	483,953	1.61	1.15
Monsanto Chemical Co.	Quar. June 30	10,630,000	10,720,000	.49	c.50
Monsanto Chemical Co.	6 mos. June 30	22,164,000	21,975,000	1.03	c1.02
Monterey Oil	Quar. May 31	371,611	303,667	.21	.17
Monterey Oil	9 mos. May 31	1,096,213	1,009,088	.61	.56
Moore-McCormack Lines	Quar. June 30	1,427,000	1,120,000	.72	.57
Moore-McCormack Lines	6 mos. June 30	2,829,000	2,277,000	1.42	1.15
National Automotive Fibres	6 mos. June 30	888,046	d48,860	.81	....
National Distillers & Chem.	Quar. June 30	5,164,193	5,070,537	a.54	a.54
National Distillers & Chem.	6 mos. June 30	10,217,674	10,107,701	a1.07	a1.08
National Gypsum	6 mos. June 30	6,220,427	8,934,684	1.57	c2.27
Pan American Sulphur	Quar. June 30	906,247	440,506	.45	c.22
Pan American Sulphur	6 mos. June 30	1,637,692	699,893	.82	c.35
Philadelphia Electric	6 mos. June 30	20,898,419	20,766,304	a1.48	a1.54
Philadelphia Electric	12 mos. June 30	35,605,214	34,611,451	a2.47	a2.52
Pitts. Consolidation Coal	Quar. June 30	6,826,087	j2,723,779	a.74	a.42
Pitts. Consolidation Coal	6 mos. June 30	13,117,539	j6,019,478	a1.43	a.93
Republic Steel	Quar. June 30	24,865,071	26,491,060	1.60	1.71
Republic Steel	6 mos. June 30	52,917,897	51,532,452	3.40	3.33
Schering Corp.	Quar. June 30	2,472,000	2,379,000	1.41	1.35
Schering Corp.	6 mos. June 30	4,884,000	4,674,000	2.78	2.65
Scott Paper Co.	6 mos. June 29	10,782,968	11,411,753	1.34	1.42
Soss Manufacturing Co.	6 mos. June 30	142,222	38,377	.61	.16
Southern Company	12 mos. June 30	32,212,913	28,319,298	a1.52	a1.44
Stanley Warner Corp.	13 wks. May 25	691,800	400,100	.32	.18
Stanley Warner Corp.	39 wks. May 25	2,699,591	2,029,190	1.25	.94
Sutherland Paper Co.	Quar. June 30	889,144	1,196,753	.83	1.12
Sutherland Paper Co.	6 mos. June 30	1,927,393	2,127,844	1.80	2.00
Wagner Baking Corp.	24 wks. June 15	d171,472	16,645	....	...
Western Massachusetts Cos.	6 mos. June 30	2,088,451	2,048,412	a1.73	a1.85
Western Massachusetts Cos.	12 mos. June 30	3,772,504	3,611,583	a3.12	a3.26
Wrigley, Wm. Jr., Co.	Quar. June 30	2,806,603	2,936,658	1.43	1.49
Wrigley, Wm., Jr., Co.	6 mos. June 30	5,654,549	5,758,385	2.87	2.92

(a) Based on shares outstanding at close of the period. (b) Based on average number of shares outstanding during the period. (c) Based on shares now outstanding. (d) Net loss. (e) On preferred shares. (f) Preliminary statement. (g) Adjusted to reflect stock split or stock dividends. (h) Figures for both years include operations of Peter J. Schfeitzer, Inc., acquired in February, 1957. (j) Figures for 1956 do not reflect acquisition of Pocahontas Fuel Co., Inc., which took place late in 1956. (k) Excludes non-recurring profit of $328,789 from sale of capital assets.

Dividend News

Rockwell Spring & Axle Co. directors declared a regular quarterly dividend of 50 cents on the common stock, payable September 10 to stock of record August 16. The directors also voted two 2% stock dividends on the common stock, the first payable September 18 to stock of record August 16, and the second payable December 18 to stock of record November 15. The company paid similar stock dividends in June and December of last year.

Dividends Reported July 22

Company	Period	Amt.	Payable date	Record date
American Colortype	Q	.25	9- 9-57	8-30
American Greetings cl A	Q	.30	9-10-57	8-23
American Greetings cl B	Q	.30	9-10-57	8-23
Broadway-Hales Stores, Inc.		z.35	8-15-57	8- 1
Brown Co.		z.25	9- 1-57	8- 9
Cent Vermont PS 4.15% pf	Q	1.04	10- 1-57	9-13
Cent Vermont PS 4.65% pf	Q	1.16	10- 1-57	9-13
Cent Vermont PS 4.75% pf	Q	1.19	10- 1-57	9-13
Consol. Electrodynamics	Q	.10	9-13-57	8-28
Crown Cork & Seal $2 pf	Q	.50	9-16-57	8-19
Denver & Rio Grade W RR		z.62½	9-16-57	9- 6
Eastern Utilities Assoc	Q	.55	8-15-57	8- 1
General Electric Ltd	F	8%	9-24-57	8-15
Fuller (Geo A) Co.		z.30	9-27-57	9-10
Minn Moline $5.50 cum 1st pf			(no action)	
Minn Moln $1.50 cum cv 2 pf			(no action)	
Moore McCormack Lines	Q	.37½	9-14-57	8-30
North Amer Cement Cl A	Q	.15	9-18-57	9- 4
North Amer Cement Cl B	Q	.15	9-18-57	9- 4
Philadelphia Elec	Q	.50	9-30-57	9- 4
Phila Elec $1 pref com	Q	.25	9-30-57	9- 4
Pure Oil		z.40	9- 1-57	8- 1
Refractory & Insulation	Stk	10%	9-17-57	9- 3
Refractory & Insulation	Q	.15	9-17-57	9- 3
Rockwell Spring & Axle	Q	.50	9-10-57	8-16
Rockwell Spring & Axle	Stk	2%	9-18-57	8-16
Rockwell Spring & Axle	Stk	2%	12-18-57	11-15
Simpsons Ltd		z.12½	9-16-57	8-15
Southern Co.		z.27½	9- 6-57	8- 5
Southwestern Elec Serv	Q	.29	9-14-57	9- 3
Standard Milling cl A	Q	.05	8-15-57	8- 1
Standard Milling cl B	Q	.05	8-15-57	8- 1
Storer Broadcasting	Q	.45	9-14-57	8-30
Storer Broadcasting Cl B	Q	.06	9-14-57	8-30
Sutherland Paper	Q	.50	9-14-57	8-16
Unit Fuel Investments cl A	Q	.75	10- 1-57	9- 6
U S Borax & Chem	Q	.15	9-13-57	8-30
Warren (S D) Co	Q	.35	9- 3-57	8- 9
Warren (S D) Co $4.50 pf	Q	1.12	9- 3-57	8- 9
Wisconsin Electric Pwr		z.40	9- 1-57	8- 1
Wisconsin Electric P 6 pf	Q	1.50	10-31-57	10-15
Wisconsin Elec P 3.60% pf	Q	.90	9- 1-57	8-15

Stocks Ex-Dividend July 24

Company	Period	Amt.	Payable date	Record date
Agnew-Srpas Shoe Strs Ltd		.13	9- 3-57	7-31
Dominion Bridge Co Ltd		.15	8-22-57	7-31
Norfolk Southn Rway		.30	8-15-57	7-31
Stein (A) & Co	Q	.30	8-15-57	7-31
White Dental Mfg	Q	.40	8-13-57	7-29

z-Unchanged from previous quarter. c-Increased dividend. d-Reduced dividend.

A, annual, Ac, accumulations; E, extra; F, final; G, interim; In, initial; Liq, Liquidation; M, monthly; Q, regular quarterly; R, resumed; S, semi-annual; Sp, special.

Canadian Dollar Advances To $1.053 in U. S. Money

NEW YORK — Canada's dollar went up again yesterday in foreign exchange dealings here, to reach $1.053 in terms of the U. S. dollar.

Its advance over the weekend of 1-32 of a cent brought it to the highest level since November, 1933, when it was at $1.0563. In the past seven days the Canadian dollar has gone up 7-32 of a cent. Until mid-June, it was slightly under $1.05.

The Bond Markets

Long-Term Treasurys Fall in Slow Trading; Corporates, Rails Ease

By a WALL STREET JOURNAL Staff Reporter

NEW YORK — Long-term U. S. Treasury liens declined in slow trading — two of them within a point of their record lows.

The Victory Loan 2½s of December, 1967-72, were bid at 86 8-32, off 16-32. The 3¼s of June, 1978-83, were 93 20-32 bid, off 4-32, and the 40-year 3s lost 10-32 at 88 16-32 bid.

The "Vics" were 12-32 above their June low point, and the 3¼s maintained only a 20-32 spread between yesterday's close and the record low.

"The Treasury refunding, touching the 4% level, had professional traders thinking in terms of a new range of yields," one dealer reported. "They think the corporate market will react with fatter coupon rates," he added, "and that the Government long-terms will have to come down to meet the competition."

Investment grade corporate liens worked slightly lower in dull trading.

Rails again were quiet and easier.

The municipal mart was inactive, with attention focused on hefty offerings due later this week. Revenue bonds were mostly easy on small volume.

Convertible bonds were mixed and moderately active.

Foreign liens were mixed and fairly active, with German issues firmer and Belgians and Italians off.

* * *

General Electric Debentures Ready

General Electric Co.'s 20-year 3½% debentures, due May 1, 1976, outstanding in temporary coupon form, may be exchanged for definitive securities at J. P. Morgan & Co., Inc.

Tax-Exempts

Ohio Unit to Meet August 7 to Approve $31 Million Bond Sale

Special to THE WALL STREET JOURNAL

COLUMBUS, Ohio—The Ohio Sinking Fund Commission will meet August 7 to authorize the sale of $31 million major thoroughfare construction bonds September 10, Finance Director John Skipton said.

Ohio has sold $64 million of highway bonds so far this year. Its last sale of $32 million June 13 was at a net interest cost of 3.7537%. The Dow-Jones municipal yield index then stood at 3.42%, compared with its present 3.41%.

Mr. Skipton said plans also are under way to sell $30 million of state capital improvement bonds sometime in September.

The finance director said another $30 million of the major thoroughfare bonds will be sold in November or December. This would bring to $125 million the amount of highway bonds issued during 1957, the maximum allowed by law in any one year.

Oklahoma Road Unit Plans To Speed Bond Pay-Offs

OKLAHOMA CITY—The Oklahoma Turnpike Authority plans to start paying off bonds on the Turner Turnpike ahead of schedule next year, W. D. Hoback, manager, said.

Under terms of the agreement by which the 88-mile toll road between Oklahoma City and Tulsa was financed, no bonds can be paid off before August 1, 1958, when the first payment of $150,000 on the principal is due. Another stipulation in the agreement is that the authority must build up a reserve of $3,806,250 before it can start calling bonds earlier than they are due.

The authority accumulated a reserve of $2,743,387 in its first four years of operation, Mr. Hoback reported. He estimated the authority will have accumulated the $3,806,250 reserve by the summer of 1958 and will start calling up bonds before they are due. The second payment on the $38 million is for $220,000, due August 1, 1959.

Mr. Hoback said the authority, which has been paying $1,330,000 a year in interest on the bonds, will save $3,400 annually on interest for each $100,000 of bonds it pays off.

Milwaukee Bonds Sold

First National Bank of Chicago and associates were top bidders on $2,454,000 Milwaukee County, Wis., park improvement bonds.

The bid was 100.04022 for coupons of 2.90%. The bonds are being reoffered priced to yield from 2.65% in 1962 out to 2.85% in 1967.

Prices of Recent Securities Issues

The original offering price and Street market are indicated below for recent issues of selected securities that are not listed on a principal exchange.

Issues:			Offering Price	Bid	Asked
UTILITY BONDS					
Boston Edisn	4⅝s	'87	101.55	102	102½
Cen Ill Light	4⅝s	'87	100.80	97½	97¾
Con Natl Gas	4⅞s	'82	101.085	104	105
Del P & L	5s	'78	101	103	103¾
Georgia Por	5¼s	'87	102.29	103½	104¼
Gen'l Teleph	5s	'87	100	102	102½
Jer Cen P&L	5s	'87	101.563	98½	99
Met Ed	4⅞s	'87	101½	99½	100
Mich Cn Gas	6¼s	'82	103.216	106½	107¼
Mich Wisc Pl	6¼s	'77	102.889	103	103½
Nat Fuel G	5½s	'82	101.363	104¼	105¼
N Y Teleph	4⅝s	'91	101.755	98	98½
Nor Sta Pow	4⅝s	'87	100	98½	99
Puget S P&L	6¼s	'87	103.459	104¼	104¾
Sou Bell Tele	5s	'86	102.32	104	105
Sou Cal Edis	4¾s	'81	100.73	99¼	99¾
Wis Tele	4½s	'92	104¼	98¼	98¾
Sou Cal Gas	5⅛s	'83	101.807	102¾	103
OTHER BONDS					
Chance Vght	5¼s	'77	100	96½	97¼
Trans Contin	5s	'77	101.63	96¾	97¾
PREFERRED STOCKS					
Kaiser Alum	4.75%		100½	105	105¾

Six Rhodesian Copper Mines Face Shutdown In Work Week Dispute

Special to THE WALL STREET JOURNAL

SALISBURY, So. Rhodesia—The six Northern Rhodesia copper mines owned by the Rhodesian Selection Trust Ltd. and Anglo-American Corp. groups are threatened with complete shutdowns over the next few days due to labor difficulties with the European Mineworkers' Union. These mines are currently producing at a monthly rate of 38,000 short tons of copper.

In London yesterday, the price of copper on the London Metal Exchange rose a half cent a pound to the equivalent of 27.40 cents a pound bid as a result of the Northern Rhodesia threat.

The threat of a complete shutdown of these mines in the next few days stems from instructions by the Northern Rhodesian white mineworkers union (European Mineworkers) to its rockbreaker members to work 46 hours a week instead of 48 hours. Rockbreakers are miners who drill holes and blast the ore in underground mines preparatory to hoisting it to the surface for processing.

All the daily-paid European mineworkers have a 48-hour week, but the union recently asked the companies to allow the rockbreakers to work only 6 hours on Saturday, instead of 8, thus making a 46 hour week.

With the rockbreakers away from work, the hoisting of ore at most mines will almost halt within the next few days and, unless they return, the mines will be shut down by progressive stages.

Colombia Is Granted $87 Million in Credit By Banks, U. S. Agency

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON—Uncle Sam, Colombia and 10 American banks worked out an $87 million deal to help the South American country complete the liquidation of its commercial debts to U. S. businesses.

The agreement, announced by the U. S. Export-Import Bank calls for that agency to advance Colombia $60 million. The 10 U. S. banks will extend credit totaling $27 million.

The 10 U. S. banks are Bank of America, N.T. & S.A.; Chase Manhattan Bank; Chemical Corn Exchange Bank; First National City Bank of New York; Grace National Bank of New York; Guaranty Trust Co. of New York; The Hanover Bank; Irving Trust Co.; Manufacturers' Trust Co., and J. Henry Schroder Banking Corp.

Colombia will pay the Export-Import Bank 5½% annual interest. The credit is repayable in 12 quarterly instalments beginning 15 months after Colombia gets the money.

Financing Business

Philadelphia Electric Plans $40 Million Bond Issue on September 12

By a WALL STREET JOURNAL Staff Reporter

PHILADELPHIA — Philadelphia Electric Co. plans to bring a $40 million bond issue to market on September 12.

The Quaker City utility said it is planning to file registrations with the Securities and Exchange Commission and the Pennsylvania Public Utility Commission covering the offering.

The bonds, to be sold at competitive bidding, will come due in 1987.

Proceeds of the offering will be used by Philadelphia Electric to help finance its construction program and to repay a portion of bank loans presently outstanding.

The concern had announced previously that it expected to raise $260 million in the public money markets over the next five years to augment internally-generated funds for its building program. The lead-off item in this financing schedule came in June, when the utility offered 609,815 additional common shares, priced in the aggregate at more than $22 million.

* * *

Tennessee Gas to Proceed With $25 Million Bond Issue

NEW YORK—Tennessee Gas Transmission Co. has decided to go ahead with its $25 million debenture issue, it was learned in underwriting circles.

Plans call for a public sale of the issue tomorrow via underwriters led by Stone & Webster Securities Corp., White, Weld & Co. and Halsey, Stuart & Co., Inc.

The offering, it is understood, is being amended to make the securities non-refundable for a period of 10 years. It had been planned to make them non-callable for five years.

Tennessee Gas originally had set the issue down for probable sale today, but the utility late last week said it had decided on a "temporary" postponement.

Polymer Corp. Issue Sold

NEW YORK—A. G. Edwards & Sons announced that the 70,000-share offering of Polymer Corp.'s common stock was oversubscribed and the books closed.

* * *

Money Rates

NEW YORK—Bankers acceptance rates on 30-90 day bills were quoted 3½% to 3⅜%, 120 day bills are 3¾% to 3½%, and the 180 day bills 3⅞% to 3⅝%.

Federal funds bid at 3%.

Call money lent dealers on bills and Treasurys was quoted at 3⅝% to 4%.

Call money on stock exchange collateral was 4½% to 4½%.

Commercial paper sold through dealers four to six months maturity was 3⅞% to 4¼%.

Commercial papers placed directly by the major finance companies one to nine months maturity was 3½% to 4%.

Treasury Sells Bills at 3.158% Rate, Up From Previous Week

WASHINGTON—The latest issue of short-term Treasury bills was sold yesterday at a price equivalent to an average yield of 3.158%. Last week a similar issue drew a rate of 3.092%.

Accepted bids ranged from a high of 99.241 (3.003%), to a low of 99.179 (3.249%), and an average price of 99.202 (3.158%). Of the amount bid for at the low price, 20% was accepted, the Treasury said.

Applications for yesterday's issue aggregated $2,279,108,000. The Treasury accepted $1,600,387,000, including $363,443,000 offered on a non-competitive basis and accepted in full at the average price.

These bills are dated July 25 and mature October 24, 1957.

Life Insurance Company Investments

The following table, based on reports by 33 major concerns, shows life insurance company investments for the latest available weekly period, with cumulative totals adjusted to conform as closely as possible with the calendar year:

	Wk. ended July12,'57	% of Total	28 wks '57 to date	% of Total	Week ended July13,'56	% of Total	28 wks '56 to date	% of Total
MORTGAGE LOANS:								
Farm loans	$5,693,290	2.8	$191,825,967	3.3	$7,229,268	2.2	$258,002,499	3.6
Loans on dwellings & business property	73,109,655	35.4	1,854,807,611	31.9	151,549,556	46.7	2,644,058,347	36.4
REAL ESTATE:								
Real estate acquired for investment	1,015,115	0.5	93,679,594	1.6	6,203,795	1.9	74,725,223	1.0
RAILROAD SECURITIES:								
Bonds	727,275	0.3	25,139,535	0.4	812,080	0.3	74,405,038	1.0
Stocks	....	...	496,734	0.0	90,815	0.0	1,835,213	0.0
PUBLIC UTILITIES:								
Bonds	13,816,970	6.7	341,812,891	5.9	35,953,440	11.1	374,971,473	5.2
Stocks	237,721	0.1	20,032,346	0.3	564,846	0.2	32,059,118	0.4
INDUSTRIALS:								
Bonds	48,185,017	23.4	1,246,448,903	21.5	17,986,206	5.6	1,197,887,348	16.5
Stocks	687,712	0.3	22,832,311	0.4	467,336	0.1	25,680,049	0.4
GOVERNMENTS:								
U. S. Treas. Bonds	10,100	0.0	66,338,874	1.1	12,370,392	3.8	129,833,774	1.8
U. S. Treas. Bills	19,079,561	9.3	993,646,591	17.1	66,778,544	20.6	1,107,121,776	15.3
U. S. Treas. Certifs.	....	*	59,697,002	1.0	....	...	80,938,416	1.1
U. S. Treas. Notes	10,974,737	5.3	117,447,258	2.0	6,002,043	1.8	232,119,250	3.2
Canadian Govt Bonds	493,113	0.2	34,230,113	0.6			43,956,236	0.6
Other Foreign Govts	394,578	0.2	16,179,486	0.3	266,768	0.1	18,366,840	0.3
State, Cty, Municipal	1,802,053	0.9	93,315,683	1.6	12,746,944	3.9	199,448,676	2.8
MISCELLANEOUS:								
Bonds	29,894,678	11.5	626,143,376	10.8	5,370,659	1.7	745,121,431	10.3
Stocks	206,554	0.1	8,536,233	0.2	45,651	0.0	9,989,295	0.1
Totals	$206,328,130	100.0	$5,812,620,508	100.0	$324,438,610	100.0	$7,252,540,002	100.0
RECAPITULATION:								
Mortgages	$78,802,954	38.2	$2,046,633,578	35.2	$158,778,824	48.9	$2,902,060,846	40.0
Real Estate	1,015,115	0.5	93,679,594	1.6	6,203,795	1.9	74,725,223	1.0
Bonds	125,378,082	60.8	3,620,419,712	62.3	158,287,343	48.8	4,206,170,258	58.0
Stocks	1,131,987	0.5	51,887,624	0.9	1,168,648	0.4	69,583,675	1.0
Totals	$206,328,130	100.0	$5,812,620,508	100.0	$324,438,610	100.0	$7,252,540,002	100.0

Commodities

Price Trends of Tomorrow's Meals and Manufacture's

Grains and Cotton Fall on Good Crop Weather; Reports of Frosts in Brazil Boost Coffee Futures

Favorable crop and weather news and evening up of July 1957 grain deliveries, in which trading expired at the close yesterday, caused wide price swings in grains. Wheat at Chicago closed 1⅛ to 10 cents a bushel lower, the latter for "old style" 1957 July wheat. The extreme loss for corn was 1⅝ cents, soybeans 6⅞ cents, and rye 3⅜ cents a bushel.

Weakness in soybeans unsettled holders of vegetable oils contracts. Cottonseed oil prices dropped 5 to 11 points and soybean oil futures at Chicago dipped 12 to 42 points. Lard futures fell 5 to 15 points.

Dealers in cotton, too, were guided by favorable crop and weather news. The market at New York declined 40 to 90 cents a bale. Trading, however, was the slowest in many weeks.

Let-up in consumer demand for cocoa beans and predictions of larger offerings from producing countries caused general selling in the cocoa futures market which cut prices 25 to 51 points.

Coffee futures at New York advanced 25 to 113 points in response to reports of cold weather in Brazil. The leading coffee producing districts of Parana and Sao Paulo reported high winds and light frosts during the past weekend. Dealers were cautious over extending commitments however, until they learn more about actual damage to the coffee crop.

World sugar futures at New York advanced 8 to 31 points. The cash price in Cuba was up 5 points at 4.90 cents a pound. Dealers said yesterday's advance in futures was mostly technical. They explained the market was entitled to a rebound following recent declines. Domestic sugar contracts advanced in sympathy with closing prices up 5 to 14 points.

Lower

Wheat—Off 1⅛ to 10 cents a bushel at Chicago. Minneapolis was off 2 to 3 cents, with Kansas City off ⅝ to 2⅛ cents.

Corn—Off ¾ to 1⅝ cents a bushel at Chicago.

Rye—Off 2⅛ to 3⅜ cents a bushel at Chicago. Winnipeg was off 3½ to 3¾ cents.

Soybeans—Off 2⅛ to 6⅞ cents a bushel at Chicago.

Soybean Oil—Off 12 to 42 points at Chicago. New York was off 13 to 45 points.

Cottonseed Oil—Off 5 to 11 points at New York.

Lard—Off 5 to 15 points at Chicago.

Cotton—Off 8 to 18 points at New York. New Orleans was off 11 to 20 points.

Cocoa—Off 25 to 51 points at New York.

Flaxseed—Off 1½ cents a bushel at Minneapolis. Winnipeg was off 1½ to up ¾ cent.

Irregular

Rubber—Off 7 to up 4 points at New York. London was unchanged to off 15 points, with Singapore off 17 points.

Oats—Off 1¼ to up ¼ cent a bushel at Chicago. Minneapolis was off ⅛ to ⅜ cent, with Winnipeg unchanged to up ¼ cent.

Commodity Indexes

Dow-Jones Futures, Monday—160.50, off 0.35; last year 157.69.

Dow-Jones Spot—162.98, off 1.09; last year 164.37.

Date	Open	11	12	1	2	Close	Chge
July 22	160.96	160.44	160.99	160.75	160.69	160.50	−.35
July 19	160.88	161.02	161.08	161.03	161.03	160.85	+.28
July 18	160.68	160.70	160.46	160.54	160.69	160.57	−.02

Higher

Coffee—Up 25 to 113 points at New York.

Sugar—World contract up 8 to 31 points. Domestic contract was up 5 to 14 points.

Hides—Up 14 to 25 points at New York.

Copper—Up 42 to 47 points at New York.

Zinc—Up 10 points at New York.

Eggs—Up 20 to 50 points at Chicago.

Potatoes—Up 2 to 6 cents per 100 pounds at New York.

Onions—Unchanged to up 4 cents per 50 pounds at Chicago.

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GRAIN PRICES DECLINED during late dealings as evening up of July 1957 contracts increased. Old July wheat futures at Chicago closed at 205½, off 10 cents a bushel, the permissible daily limit. Minneapolis new July wheat, at the low of the day, showed a loss of 5¼ cents a bushel as a result of liquidation which disclosed slow flour mill demand. Weakness in the July deliveries unsettled holders of distant positions. Hedge selling against a moderate increase in receipts of grains at terminal markets was a factor. Slow foreign demand for United States grains and a report that French wheat was being offered on the Continent at lower prices than United States wheat also resulted in selling in the futures market. Israel was scheduled to purchase 485,000 bushels of United States hard wheat after the close of the market. Favorable weather and crop news from large areas of the Midwest corn and soybean producing sections resulted in increased selling pressure on these grains.

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COTTON FUTURES finished 40 to 90 cents a bale lower. The market ruled in lower brackets throughout the session. Dealings, however, were the lightest in many weeks. The softer tone was attributed to spot house selling which caused liquidation by commission houses. Crop and weather news was favorable and was partly responsible for the decline. In addition, dealers lightened commitments pending further crop news and possible farm legislation at Washington. The Census Bureau reported United States mills during June on average used 32,485 bales of cotton each day. This was a shade under trade expectations. The Bureau reported that exports of cotton from the United States during the ten-month period ended May 31 totaled 6,650,340 bales compared with only 1,842,025 bales in the like period a year ago. The latest export figure confirmed trade belief that exports for the full season ending July 31 may exceed 7,500,000 bales. Several reports reached traders about insect infestation in parts of the cotton country. Poisoning was taking place but some of the reports noted that in sections weevils and other insects have become immune to many insecticides. Further research was declared necessary. In most areas, however, extensive poisoning operations destroyed the pests. The weather during the past week was mostly hot and dry and favored poisoning operations.

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Rubber Markets Steady

LONDON—Rubber futures closed quiet and steady and September was 27⅝ pence, unchanged from Friday's close (American equivalent, basis $2.80 for sterling 31.92 cents). October-December 27⅝, unchanged (32.21), January-March 27½, off ⅛ (32.06), and April-June 27½, unchanged (32.06).

Singapore futures closed dull and August, in Straits cents per pound, was 93, off ½ (31.00), and September 93⅞, off ½ (31.30).

Cash Prices

Monday, July 22, 1957

	Mon.	Fri.	Year ago
FOODS			
Flour, hard winter NY cwt	$6.55n	$6.55	$6.20
Coffee, Santos 4s NY lb	.56a	.56	.58¾
Cocoa, Accra NY lb	.29⅝n	.30¼	.28¼
Sugar, Refined NY lb	.0923	.0923	.0875
Sugar, Raw NY lb	.0635	.0633	.0614
Butter, Fresh A-92 sc NY lb	.60	.60	.59½
Eggs, No. 2 Extra Chicago doz	.41	.37½	.43
Broilers, 3 lb & under DelMV lb	.22⅝	.22⅝	.21¼
Hogs, Chicago top cwt	22.50	22.00	17.00
Steers, Chicago choice cwt	27.00	26.75	24.75
Pepper, black NY lb	.26¾	.27¼	.30½
GRAINS AND FEEDS			
Wheat, No. 2 ord hard KC bu	2.10⅝	2.14⅛	2.10
Corn, No. 2 yel Chicago bu	1.36¼	1.37	1.58
Oats, No. 1 wh. heavy, Chgo., bu	.69⅝	.72⅝	.77
Rye, No. 2 Minneapolis bu	1.27½	1.30⅛	1.38⅛
Barley, malting NY bu	1.59n	1.57	1.80
Soybeans, No. 1 yel Chicago bu	2.49n	2.55	2.42¼
Flaxseed, Minneapolis bu	3.06	3.05	3.35
Bran, Buffalo ton	35.50a	35.50	41.00
Linseed Meal, Minneapolis ton	46.00a	46.00	54.00
Cottonseed Meal, Memphis ton	49.50a	49.50	55.00
Soybean Meal, Decatur, Ill. ton	48.50a	48.50	52.50
FATS AND OILS			
Cottonseed Oil, crd Sou'east lb	.13⅞n	.14	.12¾
Corn Oil, crude Chicago lb	.14n	.14⅛	.13⅛
Soybean Oil, crd Decatur, Ill. lb	.11⅛	.12⅛	.12
Peanut Oil, crd Southeast lb	.14⅛n	.14¼	.14
Coconut Oil, crd Pac Cst lb	.11⅛b	.11¼	.10⅞
Copra, Pacific Coast ton	152.00n	152.00	147.50
Lard, Chicago lb	.1385n	.1390	.1125
Tallow, fancy NY lb	.08⅛a	.08⅛	.06⅞
Linseed Oil, raw NY lb	.1410a	.1410	.1460
TEXTILES AND FIBRES			
Cotton, one in. mid Houston lb	.3390	.3400	s-.3200
Cotton, one in. mid Memphis lb	.3425	.3425	s-.3375
Cotton, one in. mid NY lb	.3550	.3560	s-.3445
Print Cloth, 64x60 38½ in. NY yd	.13¼	.13¼	.14
Print Cloth, 80x80 39 in. NY yd	.17¾	.17¾	.18½
Sheetings, 56x60 40 in. NY yd	.18½	.18½	.19¾
Burlap, 10 oz. 40 in. NY yd	.1080a	.1085	.0980
Wool, fine staple terr. Bstn. lb.	1.71	1.71	1.33
Wool Tops, NY lb	1.960n	1.960	1.634
Rayon, Satin Acetate NY yd	.29¾	.29¾	.27¼
Silk, Jap 2-A NY lb	4.39a	4.37	4.40
METALS			
Steel, billets Pitts ton	77.50	77.50	68.50
Steel Scrap, 1 hvy melt Pgh ton	57.00	57.00	45.00
Iron, pig No 2 Phila ton	68.50	68.50	65.00
Copper, Conn Valley lb	.29¼	.29¼	.40
Lead, NY lb	.14	.14	.16
Zinc, East St. Louis lb	.10	.10	.13½
Tin, NY lb	.96	.96⅝	.95⅞
Aluminum, NY lb	.2710	.2710	.2590
Antimony, Laredo, Tex. lb	.33	.33	.33
Quicksilver, NY 76 lb flask	256.00	256.00	257.00
Platinum, large lots NY oz	92.00	92.00	103.00
Silver, (H & H) NY oz	.90¼	.90¼	.90¼
MISCELLANEOUS			
Rubber, smoked sheets NY lb	.32⅞	.32¾	.33
Hides, light native cows Chgo lb.	.17½	.17½	.16½
Gasoline, Reg Gulf (low cgo) gal	.11½	.11½	.10½
Petroleum, crd East Texas bbl	3.25	3.25	2.90

a-Asked. b-Bid. n-Nominal. r-Custom smelters are pricing copper at 28¼ cents a pound. s-Prices for a year ago are 15-16 inch middling.

Futures Prices

Monday, July 22, 1957

	Open	High	Low	Close	Change	Season's High	Season's Low
CHICAGO—WHEAT							
Old Contract:							
July	216¼	216½	205½	205½	−10	234	200⅞
Sept.	217	217½	215	215	−2¾	235¾	203¾
Dec.	221⅜	221⅜	220	220	−1	236⅝	208¾
New Contract:							
July	217½	217¾	212¾	214-212¾	−2¾to4	217¾	201½
Sept.	216	218⅛	215¾	215⅞-¾	−2⅛to2¼	219⅛	204½
Dec.	222	222	220	220¼-220	−1¼to1½	223	209½
Mar.	223½	223¾	221⅝	221⅝-⅞	−1⅝to1⅛	225	209⅞
May	218½	218¾	216⅝	216⅝	−1⅝	220½	204¾
CHICAGO—CORN							
July	131⅞	131⅞	130⅜	130¾-⅜	−1¼to1⅝	152⅝	125¾
Sept.	134¼	134½	133⅜	133½-⅜	−1to1⅛	148⅛	127⅛
Dec.	131	131⅛	130⅛	130⅛	−⅞	136	121⅛
Mar.	135¾	135¾	134½	134½-¾	−1to⅞	136¾	125
May	138⅛	138¼	137⅛	137¼	−⅞	139⅛	128
CHICAGO—OATS							
July	67¼	68	66	67-66	−¼to¼	77	62
Sept.	66	66½	65¾	66	−½	77⅛	63¾
Dec.	69⅛	69⅛	69	69¼	−⅛	73½	66¼
Mar.	72⅞	72⅞	72	72⅛	...	75	68¾
May	72½	72½	71¾	72½	+¼	74	71⅛
CHICAGO—RYE							
July	132½	132½	128¼	129-130¼	−3⅞to2⅛	160¾	110¾
Sept.	133	133⅜	128½	129½	−3⅜	155¾	113⅝
Dec.	137¼	137½	132¼	133½	−3¼	153¾	117¾
Mar.	139½	139½	134¾	136	−3	142½	120¼
May	138¾	139½	134½	136	−2¾	142½	120¾
CHICAGO—SOYBEANS							
July	254½	257½	248	248-249	−6⅞to5⅞	266¾	231⅛
Sept.	251⅞	253	247½	248-247½	−3¼to3¾	255½	224¼
Nov.	248	249	244¼	244¾-245	−2¾to2½	250	220¼
Jan.	253	253	248	248¼-½	−3⅛to2⅞	253¾	223⅝
Mar.	255	255¾	250¾	251½-¾	−2⅜to2⅛	256	226¼
CHICAGO—LARD							
Sept.	13.95	13.95	13.70	13.85	−.05	16.20	12.40
Oct.	14.02	14.05	13.80	13.92	−.08	15.45	12.27
Nov.	13.77	13.80	13.62	13.65	−.15	14.30	11.80
Dec.	14.05	14.07	13.85	13.92	−.15	14.50	12.55
KANSAS CITY—WHEAT							
New Contract:							
July	212½	213	210½	210⅝-½	−2to2⅛	222½	204
Sept.	215¼	215¾	214⅛	214⅛	−1⅝	224	207⅛
Dec.	218¾	218⅞	217⅛	217¼	−1¼	224¼	210¼
Mar.	219⅛	219⅝	218⅛	218½	−⅝	223	207⅞
May	213½	213½	211	213	−¾	217	201½
MINNEAPOLIS—WHEAT							
New Contract:							
July	235	235	230¾	233	3	237¾	214
Sept.	224½	224⅝	222⅝	222¾	2⅞	228½	212⅞
Dec.	226½	226½	224⅞	224⅞	2	228¾	214¾
MINNEAPOLIS—OATS							
July	60⅝	60⅝	60⅜	60⅜	−⅛	66	58½
Sept.	61½	62	61¼	61⅜	−⅜	61⅛	60
MINNEAPOLIS—RYE							
Sept.	...	...	...	125n		117	117
MINNEAPOLIS—FLAXSEED							
July	...	...	...	307½n		328	301
Sept.	312	312	310	310	−1½	313	302
WINNIPEG—RYE							
July	111½	111¾	107¾	107¾	−3½	149¼	97⅝
Oct.	114½	115	110	110⅜-¾	−3⅝to3½	135¾	99½
Dec.	116⅞	116⅞	112⅜	112⅜-⅝	−3¾to3½	121¼	100¾
May	122⅛	122⅛	118⅛	118⅛	−3½	126⅛	110½
WINNIPEG—OATS							
July	70¼	70⅜	70⅛	70⅜	+¼	79	67¼
Oct.	70½	70½	70⅜	70½	...	76⅝	68
Dec.	69½	69¾	69½	69⅝	+⅛	76¾	67¾
May	71¼	71¼	71⅛	17⅛	+⅛	71⅝	69½
WINNIPEG—BARLEY							
July	95¾	96¾	95¾	96	+⅝	103½	88½
Oct.	96⅝	97	96	96-96⅛	+¼to⅜	102⅝	90¼
Dec.	94⅝	95⅛	94⅛	94⅛	−⅜	95¼	89¼
May	95⅞	96	95½	95½	−⅛	96⅝	91¾
WINNIPEG—FLAXSEED							
July	265	268¼	265	266½	+¾	323	236¼
Oct.	263½	266¼	262	263½	−¼	300	234
Dec.	256½	258¾	254	255	−1½	271	229
May	259½	263	258¾	259½	−½	275½	233¼

NEW YORK—CRUDE SOYBEAN OIL

No sales. Closings: July 11.65n, September 11.80b-11.88a, October 11.75b-11.85a, December 11.79b-11.85a, January 11.75b-11.88a, March 11.85b-11.90a, May 11.75b-11.90a.

	Open	High	Low	Close	Change	Season's High	Season's Low
NEW YORK—COTTONSEED OIL							
Sept.	15.80	15.84	15.73	15.73-.75	−.07to.05	16.97	13.75
Oct.	15.68	15.72	15.60	15.61b	−.09	16.36	14.21
Dec.	15.64	15.66	15.56	15.56	−.07	16.20	14.26
Mar.	15.70	15.70	15.62	15.59b	−.11	16.25	14.33
May	15.74	15.74	15.58	15.58b	−.08	15.93	14.30

Sales: 137 contracts. Closings: January 15.56n, July 15.54b-15.60a.

	Open	High	Low	Close	Change	Season's High	Season's Low
CHICAGO—CRUDE SOYBEAN OIL							
July	12.00	12.05	11.65	11.75-.65	−.32to.42	13.63	10.90
Sept.	12.00	12.08	11.80	11.80	−.25	13.05	10.93
Oct.	11.94	11.98	11.80	11.80	−.15	12.48	10.79
Dec.	11.90	11.97	11.78	11.79	−.13	12.11	10.74
Jan.	11.90	11.98	11.80	11.80	−.12	12.10	10.67
Mar.	11.91	11.96	11.80	11.80	−.14	12.12	10.74

MEMPHIS—MEAL

COTTONSEED MEAL. Sales: 100 tons. Closing quotations per ton follow: July $49.00b-50.00a, September $50.00b-50.75a, October $50.00b-50.25a, December $50.25b-50.50a, January $50.25b-50.75a, March and May $50.25b-51.00a.

SOYBEAN SALES: 8,200 tons. Closings: July $48.00n, August $47.90b-48.00a, September $47.75b-48.00a, October $47.40 flat, December $47.40 flat, January $45.75b-48.10a, March $48.50b-49.00a, May $48.75b-49.50a.

CHICAGO—MEAL

SOYBEAN. Closing quotations per ton follow: July $47.80, August $47.90, September $47.90b-48.00a, October $47.30b-47.55a, December $47.75, January $47.80b-48.00a, March $49.00b-49.10a.

	Open	High	Low	Close	Change	Season's High	Season's Low
NEW YORK—COTTON							
Oct.	34.90	34.90	34.85	34.82b	−.18	35.36	29.60
Dec.	34.88	34.90	34.79	34.29	−.18	35.27	30.25
Mar.	34.98	35.00	34.92	34.92	−.13	35.37	32.41
May	35.00	35.02	34.95	34.95	−.13	35.39	32.50
July	34.65	34.65	34.55	34.55	−.18	35.08	32.25
Oct.	33.87	33.87	33.75	33.78	−.14	34.36	30.95
Dec.	33.77	33.79	33.75	33.72n	−.08	34.35	32.80
NEW ORLEANS—COTTON							
Oct.	34.90	34.90	34.88	34.82b	−.20	35.37	30.04
Dec.	34.85b	34.86	34.81	34.78b	−.20	35.25	30.31
May	34.99b	34.98	34.95	34.92b	−.15	35.35	32.66
July	34.66	34.66	34.66	34.57b	−.18	35.06	32.37
Oct.	33.84b	33.85	33.80	33.80	−.12	34.34	31.00
Dec.	33.80	33.80	33.78	33.71b	−.11	34.31	32.86

March, 1958 closed at 34.90b.

NEW YORK—BURLAP

No sales. Closings: August 10.50b, November 10.55b, February 10.45b, May 10.40b.

	Open	High	Low	Close	Change	Season's High	Season's Low
NEW YORK—WOOL TOPS							
July	195.0	195.0	194.8	194.0b	+0.3	199.0	151.0
Oct.	192.5b	195.0	194.3	194.7	+1.5	198.5	151.5
Dec.	190.5b	192.9	192.5	192.3b	+0.8	198.0	159.0
Mar.	188.5b	190.5	190.5	190.2b	+0.7	195.9	172.0
July	185.5b	186.1	186.0	186.0b	+1.0	191.5	173.0

Closings: May, 1958, 188.0b, October 188.0b, December 186.0b.

	Open	High	Low	Close	Change	Season's High	Season's Low
NEW YORK—WOOL FUTURES							
July	162.0b	164.2	162.5	162.5b	+0.5	168.5	121.0
Oct.	161.0b	163.1	163.0	162.9b	+1.0	168.2	121.5
Dec.	159.5b	161.5	161.1	161.4	+1.0	167.0	133.9
Mar.	157.0b	159.4	159.3	158.5b	+0.8	165.4	139.5

Closings: May 156.5b, July 154.5b, October 152.0b, December 150.5b.

	Open	High	Low	Close	Change	Season's High	Season's Low
NEW YORK—COCOA							
Sept.	28.00	28.00	27.50	27.84	−.47	30.15	20.90
Dec.	27.85	27.95	27.65	27.90	−.30	29.39	21.42
Mar.	27.95	27.95	27.75	27.94n	−.36	29.29	21.87
May	27.95	27.95	27.95	27.98n	−.25	29.05	22.65

Sales, 354 lots. Closings: July, 1957, 27.39n, July, 1958, 28.03n, September 28.13n.

	Open	High	Low	Close	Change	Season's High	Season's Low
NEW YORK—SUGAR Contract 6							
Sept.	5.90	5.93	5.86	5.92	+.07	6.10	5.38
Nov.	...	5.87	5.70	5.87	+.14	6.07	5.62
Mar.	...	5.56	5.50	5.57	+.07	5.78	5.50
Sept.	...	5.80	5.80	5.80n	+.05	5.80	5.75

Sales, 74 lots.

	Open	High	Low	Close	Change	Season's High	Season's Low
NEW YORK—SUGAR Contract 4							
Sept.	4.60	4.90	4.60	4.89	+.27	6.89	3.21
Oct.	4.60	4.84	4.60	4.82	+.30	6.84	4.52
Mar.	4.21	4.26	4.20	4.23	+.08	5.50	4.10
May	4.16b	4.22	4.19	4.22n	+.09	5.46	4.10
July	4.16b	4.21	4.20	4.22n	+.08	5.05	4.14
Sept.	4.16b	4.20	4.19	4.21n	+.08	4.93	4.14

Sales, 933 lots. Closings: January, 1958, 4.40n, October 4.18n.

	Open	High	Low	Close	Change	Season's High	Season's Low
NEW YORK—COFFEE Contract M							
Sept.	64.75b	65.60	65.25	65.40	+.50	69.90	61.60
Dec.	61.20b	61.90	61.65	61.65	+.35	66.65	59.20

Sales 41 lots. Closings: July 64.75n, March 61.35n, May 60.70n, July 60.20n.

	Open	High	Low	Close	Change	Season's High	Season's Low
NEW YORK—COFFEE Contract B							
July	55.70b	56.40	56.40	56.25n	+.25	61.30	52.00
Sept.	55.00	55.70	55.00	55.05n	+.35	57.30	50.50
Dec.	53.40	54.00	53.39	53.50n	+.50	56.50	50.65
Mar.	52.75	53.50	52.75	52.95n	+.60	55.01	50.75
May	51.60b	52.20	52.00	52.00n	+1.10	54.00	50.15
July	50.85	50.85	50.85	51.05n	+1.13	50.85	49.50

Sales: 81 lots.

	Open	High	Low	Close	Change	Season's High	Season's Low
CHICAGO—ONIONS							
Nov.	1.35	1.38	1.35	1.38	+.04	1.68	1.26
Jan.	1.47	1.49	1.47	1.49	+.04	1.80	1.39
Feb.	...	...	...	1.58n	...	1.82	1.48
Mar.	1.65	1.65	1.65	1.65	...	1.71	1.60

Sales: 38 contracts.

	Open	High	Low	Close	Change	Season's High	Season's Low
CHICAGO—EGGS							
Sept.	35.10	35.70	34.95	35.20-.25	+.20to.25	40.60	30.85
Oct.	36.10	36.75	35.95	32.20-.25	+.20to.25	40.50	31.60
Nov.	37.25	37.70	36.95	37.20	+.20	37.70	32.50
Dec.	38.05	38.30	37.85	38.10-.05	+.45to.40	38.30	33.50
Jan.	37.45	37.60	37.20	37.30	+.50	37.60	33.15

Sales: 2,030 contracts.

CHICAGO—(Storage)—BUTTER

No sales.

	Open	High	Low	Close	Change	Season's High	Season's Low
NEW YORK (Maine)—POTATOES							
Nov.	2.19	2.23	2.19	2.23	+.06	2.48	2.11
Jan.	2.34	2.34	2.34	2.34	+.02	2.65	2.26
Mar.	2.50	2.50	2.49	2.49	+.02	2.71	2.44
May	26.90	27.20	26.90	27.20	+.42	28.47	26.30

Sales: 51 cars.

	Open	High	Low	Close	Change	Season's High	Season's Low
NEW YORK—HIDES							
Oct.	14.25b	14.50	14.50	14.45b	+.15	14.90	11.77
Jan.	13.70	13.79	13.70	13.79	+.14	14.25	12.02
Apr.	13.50	13.50	13.50	13.50b	+.20	14.20	12.30
July	13.58	13.50	13.50	13.55b	+.25	14.30	12.53

Sales: 9 lots. Closings: July 14.10b, October, 1958, 13.60b.

	Open	High	Low	Close	Change	Season's High	Season's Low
NEW YORK—RUBBER Rex							
July	32.81b	33.00	33.00	32.98b	+.03	37.40	28.85
Sept.	32.70	32.70	32.65	32.63b	−.07	36.60	28.65
Nov.	32.50	32.60	32.50	32.54	−.01	35.70	29.05
Jan.	32.45	32.55	32.45	32.49	+.04	32.85	28.70
Mar.	32.25b	32.35	32.35	32.35b	...	32.75	30.65

Sales: 80 lots. Closings: May, 1958, 32.20b, July 31.97b.

	Open	High	Low	Close	Change	Season's High	Season's Low
NEW YORK—ZINC							
Jan.	9.65b	9.75	9.70	9.75	+.10	10.40	9.56
Mar.	9.65b	9.75	9.70	9.75	+.10	10.40	9.65
May	9.65b	9.75	9.70	9.75	+.10	10.00	9.50

Sales: 17 lots closings July through December 9.75b.

NEW YORK—STRAITS TIN

No sales: Closings: July 95.25b, August 95.12½b, September 94.75b, October 94.50b.

NEW YORK—LEAD

No sales. Closings: July 13.20b, August 13.15b, September 13.10b, December and January 13.00b, March 12.95b, May 12.90b.

	Open	High	Low	Close	Change	Season's High	Season's Low
NEW YORK—COPPER							
Sept.	2.720b	27.45	27.45	27.45	+.45	35.30	26.55
Dec.	27.05b	27.35	27.30	27.35	+.47	31.95	26.47
Jan.	27.00b	27.27	27.27	27.30b	+.45	30.12	26.50
Mar.	26.95b	27.25	27.25	27.25b	+.42	29.90	26.40
Apr.	2.53	2.55	2.53	2.55	+.04	2.77	2.50

Sales, 23 lots. Closings: July 27.60b, August 27.50b, October 27.40b.

A-Asked. b-Bid. n-Nominal.

Grain Statistics

The Commodity Exchange Authority reports total volume of trading in grain futures on the Chicago Board of Trade, as of the close of business Friday, July 19, 1957, as follow (in thousands of bushels):

	July	Sept	Dec	Mar	May
Wheat, old	247	25	34	...	...
Wheat, new	860	7,200	6,424	2,791	1,561
Corn	510	3,701	3,426	1,167	403
Oats	675	1,457	1,181	245	157
Rye	257	1,253	1,135	201	130

Soybeans: July 2,555, September 11,397, November 11,419, January 6,680, March 6,295.

Volume of trading in lard futures follows (in units of 40,000 pounds): July none, September 125, October 77, November 11, December 23.

Open interest in Chicago grain futures follows (in thousands of bushels):

	Fri.	Thurs.	Wk.ago
WHEAT:			
July, old	1,458	1,987	4,720
July, new	2,305	2,787	5,502
September, old	6,368	6,392	6,556
September, new	26,935	27,492	25,092
December, old	4,681	4,733	4,965
December, new	35,268	33,264	27,780
March	22,034	21,347	19,287
May	12,662	12,393	11,315
Total	111,711	110,397	105,217
CORN:			
July	663	1,456	6,430
September	22,344	22,729	22,195
December	20,099	20,584	22,361
March	6,852	6,846	6,380
May	1,886	1,773	1,434
Total	52,044	53,388	58,800
OATS:			
July	1,590	1,888	2,457
September	5,992	5,658	5,474
December	9,392	9,119	8,016
March	2,872	2,862	2,604
May	519	487	401
Total	20,365	20,014	18,952
RYE:			
July	754	951	1,333
September	4,806	5,037	5,336
December	6,258	6,202	6,231
March	4,311	4,204	4,240
May	2,356	2,298	1,859
Total	18,485	18,692	18,999
SOYBEANS:			
July	4,649	5,524	7,277
September	29,019	28,791	26,595
November	25,939	25,492	25,161
January	14,283	13,642	12,324
March	11,783	10,349	8,204
Total	85,673	83,798	79,561
Total all grains	288,278	286,289	281,529
LARD (in units of 40,000 pounds):			
July	13	16	150
September	1,143	1,142	1,182
October	259	278	269
November	125	120	102
December	157	142	124
Total	1,697	1,698	1,827

Cotton Statistics

Volume of trading and open contracts for the New York Cotton Exchange, as reported by the Commodity Exchange Authority, for Friday, July 19, 1957, follow (in 500 pound bales):

	Volume	Open contract	a-Chgs.
July, 1957	...	200r	...
October	9,100	185,100	+3,600
December	12,900	237,700	−1,700
March, 1958	1,000	143,400	no change
May	3,300	137,000	−1,000
July	5,400	109,500	+600
October	8,600	121,400	+1,800
December	2,500	28,700	+1,700
Total	42,800	963,000	+5,000

a-Change from Thursday's close. r-Includes 200 bales against which notices have been issued; balance NONE.

London Silver

LONDON—Spot silver was 78⅛d, and forward 78d, both unchanged from Friday's close.

London Metal Market

LONDON—The following quotations are in pounds sterling per long ton on the London Metal Exchange:

	Monday Bid	Monday Asked	Friday Bid	Friday Asked
Copper Spot	219¼	219½	213¼	213½
Forward	222¼	222½	217⅞	218
Tin Spot	748	749	747	747½
Forward	744½	745	745½	746
Lead Spot	90	90½	89¼	89½
Forward	91¼	91½	90¼	90½
Zinc Spot	74⅞	75	73⅞	74
Forward	74	74⅛	73	73⅛

Reuters United Kingdom Index

		Change	Yr Ago	July High	July Low	1957 High	1957 Low
July 22	459.8	+2.7	477.4	484.6	456.4	506.8	456.4

	1956	1955	1954	1953	1952
High	512.9	515.3	503.3	514.0	595.6
Low	468.1	476.8	478.7	475.9	515.2

Farm Revolution: A Wheat Grower Profits Without Federal Supports

Continued From First Page

grams except for those with the wit, energy and capital to grow big. In 1920 in Montana there were 57,677 farms averaging 608 acres in size. By 1955 the number of farms had dwindled to a little more than 33,000 but the average size had jumped to nearly 2,000 acres, and the trend continues.

Since the spread between actual and historical yields is apt to be widest for the big, aggressive operator who misses no chance to boost production, it is the big farmer who gains most by non-compliance. Last year in Liberty County, an area of many big farms, about 158,500 acres of wheat were planted on allotted land; and 67,000 acres were sown by non-compliance farmers.

Even with supports the small farmer is in a tough competitive position. While Mr. Kolstad's wheat production cost in 1956 was about 66 cents a bushel or $20 an acre, one of his neighbors, William Kleinert, puts his cost 50% higher—$30 an acre or roughly $1 a bushel. The cost difference: Mr. Kleinert grows wheat on too few acres to take advantage of extensive mechanization. Both Messrs. Kleinert and Kolstad include all operating costs and such fixed costs as interest on estimated value of land when figuring their wheat production expenses.

The Cutbacks Are Cancelled

Because of mechanization and technology that has improved seeds, insecticides, fertilizers and farming techniques, wheat farmers throughout the nation have just about offset Government-ordered acreage cutbacks by boosting yields per acre. In 1949 U.S. farmers planted 75.9 million acres to wheat, harvesting 1.1 billion bushels. Last year, cutbacks reduced plantings by a third, to 49.8 million acres, but the crop still totaled nearly a billion bushels.

This year the story is the same, only more so. Wheat acreage for 1957 was whittled down to around 43 million acres; with such a reduction the Department of Agriculture last September confidently predicted this year's harvest would total only some 700 million bushels. But this June the department drastically revised its figures—upward. It now estimates that 970.5 million bushels of wheat will be harvested in 1957, only 2.8% less than in 1956 and not too far below the harvest in 1949 when acreage was nearly double. And this deluge is rushing toward a Government already holding some $2.3 billion of surplus wheat.

To see how such spectacular yield increases were achieved—and why wheat is the number one surplus problem—visit the Kolstad operation near Chester, a town of around 1,000 folk that still doesn't have a paved street and didn't have electricity until the 1940's or sewers until a half-dozen years ago.

On the treeless plains of north-central Montana ripening wheat now stands more than knee high as far as you can see in any direction. The breeze bends stalks whose heavy heads indicate another bumper crop even though about a third of the state's six million acres of wheat land are out of production. In a few more weeks it will be harvest time; oversize tractors will pull giant combines across fields that stretch several miles between fences. With a modern combine, which mows and threshes grain in one continuous operation, one or two men can harvest 35 to 50 acres of wheat in a 10-hour day.

Started With Horses, Plow

"There've been a lot of changes in wheat farming since I started out in 1924," notes Mr. Kolstad, sitting in an office that serves as the business headquarters of his far-flung operations. The ranch, called the KKK after three generations of Kolstads, includes a 22,000-acre cattle-wheat operation run by a son, Allen; a 4,000-acre wheat ranch operated by a son-in-law, Bill Fraser; and a 1,900-acre spread run by another son-in-law Carl Lingen. Hank Kolstad's father was the first of the family to farm in Montana. He took up a homestead near Chester early in the century, when "squatters" weren't welcomed by cattlemen and sheepmen who, Mr. Kolstad recalls, "sometimes came with .44's and cut our fences."

"All I had when I started on my own was four head of horses and a 16-inch plow," Mr. Kolstad continues. That horse-pulled plow, with Mr. Kolstad walking behind it, cut a furrow only 16 inches wide. Today a hired hand drives a tractor pulling disc or duckfoot plows, whose blades are about the same size and shape as a small hand shovel. These plows break the soil in bands 12 feet to 60 feet wide, depending upon the number of units hooked together.

Wheat planting is just as mechanized as soil preparation. Wheat is planted by means of "drills" that poke seeds into the ground at the proper depth. Twelve of these drills, each seven feet wide, are bolted together into a single implement with an 84-foot spread; this is pulled by a snorting International Harvester Trac-Tractor, a machine more commonly found on construction jobs than on the farm. With this rig one man can seed 440 acres in a 10-hour day.

"We used to think we were good when we pulled two 12-foot drills at a time and finished 50 acres a day," Mr. Kolstad says. "And that was only a few years ago, too. It used to take 10 men and 70 head of horses to handle a strip as wide as the Trac-Tractor can, and the horses would be plodding along at horse speed."

If weeds or insects threaten the growing wheat, the Kolstads can call one of six commercial aerial spraying companies in the area. In an hour a plane can cover as much land as a half dozen men once did in an entire day. (Bill Fraser, who runs one of the Kolstad ranches, has his own plane, a two-seater often used to transport workers. Some of his fields are 35 miles from the ranch buildings by road, but only 12 miles by air.)

"Calling Car One"

Roads linking the various parts of the KKK ranch often are little more than dirt tracks. But Mr. Kolstad careens along them at 65 miles an hour in his Oldsmobile hardtop. As he drives and talks of wheat and cattle the conversation suddenly is broken by a metallic voice, "Calling car one, calling car one." Mr. Kolstad grabs the microphone from its dashboard hook and talks briefly with his son 20 miles away. Childish voices break in, and Mr. Kolstad greets one of his seven grandchildren. Some $16,000 has been spent on the ranch's two-way radio equipment and a relay station atop one of the Sweetgrass Hills 45 miles north of Chester; with the relay, the KKK radio network covers 120 miles.

Hank Kolstad is visibly proud of his land, which last year grew a quarter-million bushels of wheat. Guiding his Olds down a rutted road he quickly puts on the brakes as two antelope dash across a wheat field, white tails bobbing frantically. "This field is three and a half miles long and half a mile wide," he says, sweeping his hand toward the fleeing antelope. Later he stops on a ridge and points again, this time toward a distant line of graceful cottonwood trees growing along Pondera Creek. "That's the edge of my land," he notes.

The Allen Kolstad ranch is visible several miles away across hills covered by alternate patches of ripening wheat and lighter stubble. White buildings are topped with bright orange roofs that catch the sunlight. A picket fence surrounds the neat frame house; a green patch of lawn is planted on soil collected from a nearby ravine where Indians once slaughtered buffalo.

Ranch life still can be lonely—neighbors often are miles away—but the modern "ranch" houses remind one of suburban homes. Tall television aerials dominate roof lines. Inside, kitchens gleam with appliances and bathrooms are bright with tile. Cadillacs are numerous and expensive pleasure boats dot the ranch country's lakes and reservoirs. In the summer, ranch wives gossip of last winter's vacation in Bermuda, Hawaii, Mexico, California or Arizona. The ranch women dress smartly when they go to church or card parties.

The Allen Kolstad part of the KKK operation also is jammed with machinery—combines, tractors, trucks, grain drills, weeders, grain loaders and plows. This equipment investment probably would keep the Kolstads from complying with Federal planting regulations, even if such action were less profitable.

"You can't reduce the amount of machinery on hand to fit the cutback in seeding," the elder Kolstad explains. "Government programs never have fit our operation. We can't operate efficiently if we cut back to 5,000 acres." Machinery lying idle continues to depreciate. Manpower requirements, on a mechanized ranch, are about the same for full or half-time operation, and land costs go on at the same rate.

Long-Time Land Buyer

Though bigness seems to be a key to profitable wheat farming today, there's some doubt that today's small farmer can expand as readily as Mr. Kolstad did. "You couldn't build a place like this today," he states, "at today's land prices."

Mr. Kolstad was fortunate in following a policy of constant land buying when prices were much lower than today's $100 per acre tag for good Liberty County wheat land. Until a few years ago he invested almost all profit from his farms in more land. Much of his property—which grew from the original 640-acre homestead to today's 27,900-acre ranch—was bought for $25 to $35 an acre. He even bought one 160-acre tract for $400, or $2.50 an acre.

Much of the land Mr. Kolstad has purchased once was owned by smaller farmers who couldn't or didn't expand. Some, in effect, were forced off the farm by mechanization. "Nobody would believe the figure for the number of men we would need if we farmed the old way," Mr. Kolstad states. On one 6,400-acre segment of his ranch there once were 40 homesteading families. Today, half a dozen hired hands, a son and two sons-in-law do all the work on the same tract.

Canada's June Newsprint Output Put 7.1% Under May; Trailed 1956 Also

By a WALL STREET JOURNAL *Staff Reporter*

MONTREAL—The Newsprint Association of Canada reported Canadian newsprint production in June amounted to 532,039 tons, 7.1% less than in May and 0.8% below June, 1956, output.

Shipments to all markets were 548,450 tons, a decline of 4.4% from the preceding month but a gain of 0.7% from a year earlier, the group said.

The lower production in the latest month as compared with May reflected the fact that June this year had two less working days than the previous month. It also had one less working day than June, 1956.

Another factor was the shrinkage in United States newsprint demand. U.S. demand in June was estimated at 574,685 tons, 6.8% less than in May, but 2.7% more than in June last year.

For the first half this year, Canadian production aggregated 3,311,586 tons, 3.6% higher than 1956, while total shipments were 3,212,082 tons, a gain of 2.2%.

London Gold

LONDON—The gold price was 251s 2¼d vs. 251s 1¾d on Friday.

Overseas Securities Co., Inc.

OVERSEAS SECURITIES CO., INC., reports net assets:

	June30,'57	Dec.31,'56	June30,'56
Net assets per shr	$12.37	$13.66	$18.27
Net assets at market	1,746,000	1,927,909	2,578,165
Capital shares	141,151	141,151	141,151

British-American Oil

BRITISH-AMERICAN OIL CO., LTD., reports for six months ended June 30:

	1957	1956
Net income after taxes	$12,660,000	$10,072,000

Toronto (Canadian Funds)

MINES & OILS

Sales	Stocks	High	Low	Close	Chg
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Markets in Other Cities

(Dually Listed Domestic Issues Excluded)

Monday, July 22, 1957

Sales	Stocks	High	Low	Close	Chg
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CURB

Sales	Stocks	High	Low	Close	Chg
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INDUSTRIALS

Sales	Stocks	High	Low	Close	Chg
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BANKS

Sales	Stocks	High	Low	Close	Chg
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Total sales 2,684,000 shares.

Detroit

Sales	Stocks	High	Low	Close	Chg
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Total sales 22,063 shares.

Pacific Coast

Sales	Stocks	High	Low	Close	Chg
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Total sales 103,778 shares.

Midwest

Sales	Stocks	High	Low	Close	Chg
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Total sales 92,000 shares.

Cincinnati

Sales	Stocks	High	Low	Close	Chg
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Total stock sales 1,478 shares.

Boston

Sales	Stocks	High	Low	Close	Chg
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Total sales 15,134 shares.

Montreal (Canadian Funds)

Sales	Stocks	High	Low	Close	Chg
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Canadian Stock Exchange

Sales	Stocks	High	Low	Close	Chg
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Total sales: Industrials 153,300 shares. Mines & Oils 350,400 shares.

Salt Lake City

Sales	Stocks	High	Low	Close	Chg.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Total sales 118,250 shares.

Pittsburgh

Sales	Stocks	High	Low	Close	Chg.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Philadelphia-Baltimore

Sales	Stocks	High	Low	Close	Chg
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Total sales 31,000 shares.

Century Shares Trust

CENTURY SHARES TRUST reports:

	June30,'57	June30,'56	June30,'55
Net assets per share	$23.11	$23.27	$29.06
Net assets	50,347,364	49,656,563	61,181,697
Capital shares	2,178,755	2,133,707	2,105,488

N. Y. Stock Exchange

Closing Bid and Asked Prices of Stocks Not Traded

	Bid	Asked		Bid	Asked
[illegible]			[illegible]		
Interch pf	86	87	WayKnit	24½	25
Int Miser pf	68	72	WPP pfB	83	87
Int Salt	122	123½	WPP pfC	82	88
Int Util wi	34	35	WVaP pf	9	100½
Isl Crk C pf	112½	115	W Auto pf	90	94
Jaeger Mch	22	22½	WestMary 2 pf	85½	88
Jewel Tea	59⅝	60¼	WestgEl pf	81½	84
Jewel T pf	76	80	Whirl pf	60	63½
KCPL 4.50 pf	92	94½	WhiteM pf	96	97
KCPL 4.35 pf	85	89	WhiteSew cvpf	37¼	37¾
KC PL 4.20 pf	86	87½	White Sew pf	25¾	26¼
KC PL 4 pf	86	90	Wilson pf	70½	72
KC PL 3.80 pf	74½	76	Wilson Jon	15¾	16¾
KanCSou pf	34½	36	WisElPw pf	113	119
Kan G&E	27½	28¼	Worth pf	86¼	87¾
Keystone S	38¼	38½	WyanWor	7⅛	7½
			Young S&W	33¼	33½

a

Firth Sterling

FIRTH STERLING, INC., reports for quarter ended June 30:

	1957	1956
a-Earned per common share	$.31	$.26
Net sales	8,826,200	7,356,600
Profit before income taxes	1,016,800	698,100
Federal and state income taxes	602,400	408,700
Net income	414,400	289,400
Common shares	1,312,357	1,081,400
Six months ended June 30:		
a-Earned per common share	$.61	$.45
Net sales	17,336,700	13,191,300
Profit before income taxes	1,957,900	1,096,000
Federal and state income taxes	1,145,500	588,000
Net income	812,400	508,000

a-After preferred dividend requirements.

At the close of the second quarter, 1,064 of the total issue of 1,600 convertible sinking fund subordinated debentures had been converted, Kenneth D. Mann, president of Firth Sterling, Inc., said. This is the principal reason for the increase in the number of outstanding shares of common stock over the year-earlier figure. The remaining outstanding debentures have been called effective August 15, 1957.

"The shutdown for plant vacation will affect sales for the third quarter, but it is anticipated that fourth quarter operations will be on a satisfactory level," Mr. Mann said.

Over-the-Counter Markets

Monday, July 22, 1957

The following bid and asked quotations are obtained from the National Association of Securities Dealers, Inc., and other sources. They do not represent actual transactions. They are intended as a guide to the range within which these securities could have been sold (indicated by the "bid") or bought (indicated by the "asked") at the time of compilation. Origin of any quotation furnished on request. The "National" list is composed of securities which have a wide national distribution; the "Eastern" list comprises securities which have a wide distribution primarily in the Eastern region.

National Market

Industrial and Utility Stocks

	Bid	Asked	Prev. Bid
AMP Inc	26¾	28½	26¾
Aerovox Corp	6	6⅝	5⅞
Air Products	35⅝	37⅝	36
Am Barge Lines	44	47½	42
Am Box Board	28⅜	30⅝	29
Am Express	37½	39⅞	36⅝
[illegible]			
Delhi Taylor Oil	18¼	19⅝	17¼
Dentists Supply	16⅞	18¼	16⅞
Detr & Can Tunl	14	15⅜	14
Detroit Harv	19¾	21¼	19½
Detr Intl Bridge	19¼	21	19¼
DiNoc Chem Arts	12½	14¼	12½
Disney W Prod	23½	25⅛	23½
Doeskin Prods	2⅞	3¼	3
Donnelley R R	24¼	26¼	24¼
DuMont Brdcstg	8¾	9⅜	8½
Dun & Bradst	28⅞	30¾	28⅞
Dusham-Bush	11⅞	13⅜	12⅛
[illegible]			
Keystone Port C	32½	34⅞	32¾
Koehring Co	24	25½	24⅛
L-O-F Gl Fibers	14⅛	15⅛	14⅛
Landers Frary&C	17½	18⅞	17⅝
Lau Blower	6½	7	6
Le Cuno Oil Corp	5⅛	5⅝	5⅛
Liberty Loan	32¾	35⅛	33
Lilly Eli B	69	72½	68½
Lithium Corp	33	35⅜	33
Lone Star Steel	37¼	40¼	37⅝
Lucky Stores	13⅛	14	13⅛
[illegible]			
Rockwell Mfg	47	50⅛	46½
Roddis Plywood	13½	15⅛	14
Ryder System	17¼	18⅞	17⅜
San Jacinto Pet	51	54	51
Searle G D	53¼	56⅝	52½
Seismograph Svc	13¼	14⅞	13
Sierra Pac Pw	22½	24⅜	22½
Skil Corp	24½	26¾	24½
Smith Kline & Fr	69	72½	69⅜
South Shore Oil	16	17⅛	16
Southeastn P S	10⅜	11½	10⅜
[illegible]			

Bank Stocks

	Bid	Asked	Prev. Bid
Bank of America	37⅝	39⅝	37¼
Bankers Tr NY	63⅜	66⅜	63⅜
Cent. Natl Clev	35½	38⅛	35½
Chase Manh NY	49⅝	54½	49⅜
Chem Corn E NY	50⅝	53⅜	51
Cleveland Trust	230	243	230
Cont Ill B Chgo	86	89½	86
First BS Mpls	32⅞	35	33
First NB Boston	69⅝	72⅝	69⅝
[illegible]			

Insurance Stocks

	Bid	Asked	Prev. Bid
[illegible]			

Eastern Market

Industrial and Utility Stocks

	Bid	Asked	Prev. Bid
[illegible]			

Bank Stocks

	Bid	Asked	Prev. Bid
[illegible]			

Insurance Stocks

	Bid	Asked	Prev. Bid
[illegible]			

x-Ex-dividend. r-Ex-rights. z-Not available.

Corporation Bonds

	Bid	Asked	Prev. Bid
[illegible]			

c-Ex-interest. x-Ex-dist.

Mutual Funds Market

	Bid	Asked	Prev. Bid
[illegible]			

x-Ex-dividend. b-Ex-dividend, net assets value. e-Ex-rights. f-Ex-distribution.

Public Authority Bonds

	Rate	Mat.	Bid	Ask
[illegible]				

U.S. Treasury Bills (a)

Mature	%	Mature	%
[illegible]			

U.S. Treasury Notes (a)

Rate	Maturity	Bid	Ask
[illegible]			

F.N.M.A. Notes & Debs.

Rate	Maturity	Bid	Ask
[illegible]			

U.S.Treas Ctfs Indebted

Rate	Maturity	Bid	Ask
[illegible]			

Federal Land Bank (a)

Rate	Maturity	Bid	Ask	b'Yld
[illegible]				

F.I.C. Bank Debentures

Rate	Maturity	Bid	Asked
[illegible]			

New York State

Rate	Maturity	Bid	Ask	aPrev.
[illegible]				

New York City

Rate	Maturity	Bid	Ask	aYld
[illegible]				

a-Approximate yield at maturity. b-Issued in registered form only.

WEEKLY LIST

Every Monday The Wall Street Journal prints on this page a weekly range of bid and asked prices on additional 400 over-the-counter securities less widely held or traded.

AMERICAN STOCK EXCHANGE MOST ACTIVE STOCKS

Five Domestic Stocks:	Volume	Close	Chgs.
Gt Lak O & C	44,000	3⅛	+ ⅛
Roose Race	22,600	6½	..
Skiatron	15,500	8⅛	+ ½
Barium S	11,700	8	− ⅛
Ark La Gas	10,300	27⅝	− ⅛
Five Foreign Stocks:			
Jupiter Oils	47,300	3 11-16	− ⅛
Banff Oil	21,500	3⅝	+ 3-16
Fargo Oils	18,900	9⅝	− 3-16
Scurry R	11,700	3¾	
Can So Pet	11,100	8¾	− 1-16

American Stock Exchange Transactions

Monday, July 22, 1957

VOLUME, 820,000 SHARES

SINCE JANUARY 1

	1957	1956	1955
Total sales	126,297,437	134,774,332	140,864,277

	Mon.	Fri.	Thur.	Wed.
Issues traded	524	507	533	531
Advances	145	173	191	155
Declines	207	167	182	215
Unchanged	172	167	160	161
New highs, 1957	11	15	14	13
New lows, 1957	12	13	7	15

A

1957 High	1957 Low	Stocks Div.	Sales in 100s	Open	High	Low	Last	Net Chg.
5⅝	3⅞	Aber Pet A .18d	9	4	4	3⅞	3⅞	− ⅛
11⅝	8⅛	Acme Prec .40	2	8⅛	8½	8⅛	8½	+ ⅛
2⅝	1⅝	Aero Sup	21	2⅝	2⅞	2⅝	2⅞	+ ⅛
10⅝	5¾	Aeronca Mfg	3	6⅝	6⅝	6⅝	6⅝	− ⅛
8⅝	7⅛	Agnew Sur .33g	2	8½	8½	8½	8½	....
10⅝	5¾	Ainsworth .30g	2	8	8	8	8	....
3⅝	2½	Air W Ind	2	2⅝	2⅞	2⅝	2⅞	....
1	11-16	Ajax Pet	34	⅞	⅞	⅞	⅞	....
34⅝	28½	Ala Gas 1.60	2	29	29	29	29	....
92⅝	83	Ala Pw pf4.20	z125	84	84	84	84	− ½
80	81⅝	Alan Wd pf 5	z25	81⅝	81⅝	81⅝	81⅝	....
4⅝	3⅝	Alaska Airl	2	4½	4½	4½	4½	+ ⅛

1957 High	1957 Low	Stocks Div.	Sales in 100s	Open	High	Low	Last	Net Chg.
2¼	1¼	ConCuban Pet	70	1⅜	1½	1¼	1¼	− ⅛
6⅛	4	Con Diesel	2	4⅝	4⅝	4⅝	4⅝	− ⅛
30	23⅝	Con Mfg .80a	5	24	24	23½	23½	− ⅝
15¼	8⅞	ConRoyal .32a	11	14⅛	14½	14⅛	14½	+ ⅛
12⅛	8⅝	ContAirL ½	5	9⅝	9⅝	9⅝	9⅝	− ⅛
10¼	5⅞	Cont Av&En	4	8⅝	8⅝	8⅝	8⅝	− ⅛
6⅝	5½	Cont Coml .40	1	5⅝	5⅝	5⅝	5⅝	+ ⅛
6¾	5	CentIndust .20p	3	5⅛	5⅛	5⅛	5⅛	....
1⅛	1	Cont Mater	11	1	1⅛	1	1	....
9½	7½	CooperJar ½	3	7⅝	7⅝	7⅝	7⅝	− ⅝
18	15	CorbyDisA ½g	1	17⅝	17⅝	17⅝	17⅝	− ⅝
⅞	¼	CornucGM	16	13-16	13-16	⅝	13-16	− 1-16

1957 High	1957 Low	Stocks Div.	Sales in 100s	Open	High	Low	Last	Net Chg.
28¾	25	Gorh Mf 2	1	27	27	27	27	+ ⅝
11½	7⅝	Gray Mfg	10	8¼	8½	8¼	8⅜	+ ½
3⅝	2⅝	Gt AmInd	14	2⅝	2⅝	2⅝	2⅝	− ⅛
3	1⅝	Gt Lak O&C	440	3	3⅛	3	3⅛	+ ⅛
11⅝	6	Greer Hyd	5	10⅞	10⅞	10½	10½	− ½
12⅞	9⅝	Grid Fresh	3	10⅛	10⅛	10⅛	10⅛	− ⅝
4⅝	2½	Guild Films	15	3	3	2⅞	2⅞	− ⅛
		GypsL&A 1.20	15	3	3	2⅞	2⅞	− ⅛
H								
7⅝	3¼	Hall Lamp	20	7⅝	8	7⅝	8	+ ⅛
14	10½	Harbor Ply .40	3	12	12	12	12	....
43⅛	36	Harnischf 1.60	2	42¼	42¼	42¼	42¼	− ⅝

1957 High	1957 Low	Stocks Div.	Sales in 100s	Open	High	Low	Last	Net Chg.
3¼	2	Harvard Inv	8	2⅝	2⅝	2⅝	2⅝	....
3½	2⅞	Hastings .10g	6	3⅛	3⅛	3⅛	3⅛	− ⅛
5⅝	3½	Hazel Bish	1	4	4	4	4	....
44½	30½	Hazeltine 1.40b	3	38	38	37⅝	37⅝	− ⅝
9⅝	7⅛	Hecla Min ¼g	20	7⅛	7⅝	7⅛	7⅝	+ ⅛
6⅝	4⅞	HercGalion .20	15	5⅝	6	5⅝	5⅝	....
28⅞	15½	Hevi Duty .60	8	25½	25½	25	25	− ⅝
10¼	8⅞	Higbie Mf .60a	4	9⅛	9⅛	9⅛	9⅛	− ⅛
12	10⅝	Hoe&Co A 1	8	10⅝	10⅝	10⅝	10⅝	....
3⅛	2⅝	Hofmann Ind	1	2⅝	2⅝	2⅝	2⅝	− ⅛
37⅝	24	Holl Gold .34a	7	34⅝	34½	34½	34½	+ ⅛
2⅛	1⅝	Holly Corp	74	1½	1½	1½	1½	....

1957 High	1957 Low	Stocks Div.	Sales in 100s	Open	High	Low	Last	Net Chg.
4⅝	3⅝	NatBellH ⅛a	10	3⅞	4	3⅞	4	+ ⅛
23⅝	16⅝	NatEl Weld 1	1	17⅝	17⅝	17⅝	17⅝	− ⅛
5⅛	3½	NatPet	19	3 13-16	4	3 13-16	3 15-16	....
26⅝	17½	Nat Research	3	23	23	22½	22½	− ⅝
9⅝	7	Nat Telefilm	7	7⅝	7⅝	7½	7⅝	....
5⅞	3⅝	Nat Trans .10e	6	5	5	5	5	+ ⅛
2⅞	2	Nat Un Elec	1	2⅛	2⅛	2⅛	2⅛	....
33½	27¼	NeptuneM 1.40a	4	31⅛	31½	31⅛	31½	+ ⅛
9	4¼	Nestle LeM .30	11	8⅞	8⅞	8⅞	8⅞	+ ½
1 1-16	9-16	N Brist Oils	109	⅝	⅝	9-16	9-16	− 1-16
3 5-16	1 13-16	N Brit D Oil	91	2⅝	2 13-16	2⅝	2⅝	− ⅛
137½	131½	NEng T&T 8	z1390	133⅝	134⅞	133½	134⅝	− ½
9-16	¼	qNH Clock	10	5-16	5-16	¼	¼	− 1-16

1957 High	1957 Low	Stocks Div.	Sales in 100s	Open	High	Low	Last	Net Chg.
16⅛	11½	RemArms .20g	11	12⅝	12⅝	12½	12½	− ⅛
6¾	4⅞	Repub Ind	14	6⅝	6⅝	6¼	6⅝	....
2¾	1⅛	Richwell Pet	15	1 15-16	1 15-16	1⅞	1⅞	− 1-16
5½	3⅞	RicoArgM .10e	3	3⅞	3⅞	3¾	3¾	− ⅛
47⅝	10¾	Ridgeway 35y	1	10⅞	10⅞	10⅞	10⅞	....
3	2⅝	RioGrVG .10g	13	2¾	2¾	2⅝	2⅝	− ⅛
87	73	RochG pfF 4	z30	79	79	79	79	− 1¼
2⅝	2	Rokeach	16	2⅝	2⅝	2⅝	2½	− ⅛
32½	26	RomeCbl 1.40b	2	31⅝	31⅝	31⅝	31⅝	+ ⅛
12⅝	8⅛	Roosevelt F	2	8¾	8¾	8¾	8¾	....
7	5½	Roose Race	226	6½	6½	6⅜	6½	....
14⅛	12⅝	RoxburyCpt 1.20	2	13½	13½	13½	13½	....
24½	16½	RoyalOil .26	3	21¾	21⅞	21¾	21¾	+ ⅛
4½	3⅛	Russ F Ave	5	3½	3½	3½	3½	− ⅛
3⅝	2½	Russell .10p	3	2⅞	3	2⅞	3	+ ⅛
5⅛	4	RyanCPet ¼f	3	4⅝	4½	4⅝	4½	....
5⅛	4⅛	Ryer&Hay .05d	8	4½	4½	4⅜	4⅜	− ⅛
S								
19⅝	16	StLawrCp 1	13	16⅝	16⅝	16⅛	16⅛	− ⅛
27½	8	Salem Bro	13	23	23½	22⅞	23½	....
11½	8¼	SanCarlos .20g	2	8¾	8¾	8¾	8¾	− ¼
20¼	16⅝	S DiegoG pf .90	2	17½	17½	17½	17½	+ ¼
1⅞	1 5-16	Sapph Pet	67	1½	1 9-16	1½	1½	....
10	7⅝	Sayre&F .20b	5	7¾	7¾	7½	7½	....
25¾	16⅛	ScullinStl 1.20a	4	24¼	24¼	24⅛	24⅛	− ⅛
4 3-16	2 9-16	Scurry R	117	3 11-16	3 13-16	3 11-16	3¾	....
17⅝	13¼	Sbd&W Air ⅝f	30	14½	14¾	14½	14¾	+ ¾
2½	2¼	Seaporcel .16	36	2⅜	2⅜	2¼	2⅜	....
10⅝	8⅝	Seeman Bro ½	2	9¼	9¼	9¼	9¼	....
2	1⅝	Sentry S Con	14	1⅝	1½	1⅝	1⅝	....
7⅞	4⅞	Servo Cp 20	39	7⅝	8	7⅝	8	+ ¼
12⅝	9½	Servomech .40	16	10	10	9⅞	10	....
8⅝	6⅝	ShatDenn .30g	3	6⅞	7	6⅞	7	+ ⅛
127½	109¼	SherwWm 4½a	1	119⅞	119⅞	119⅞	119⅞	+ 1⅜
2	1½	SiboneyCarib	34	1⅝	1⅝	1⅝	1⅝	+ ⅛
65	42⅝	SignalOilA .60a	11	57½	57½	56½	57	− ⅝
4½	3	SilexCo ¼f	2	3¼	3¼	3¼	3¼	− ⅛
⅞	½	SilvCrk Prec	3	11-16	11-16	11-16	11-16	....
1⅛	⅝	SilvMiller .03e	10	⅝	⅝	⅝	⅝	− 1-16
16⅝	10½	Simca .61g	2	14	14	13⅞	13⅞	− ¼
12⅝	10¾	SimpPat .30g	3	11⅞	11⅞	11⅞	11⅞	− ⅝
21⅝	18⅝	Simpsons ½	5	19¼	19¼	19	19¼	− ⅛
47	36¼	SingerMf 2.20	11	44⅝	45	44⅛	44½	− ⅝
9	3⅛	Skiatron	155	7⅞	8⅛	7⅞	8⅛	+ ½
7⅝	5	Slick Air	3	5⅝	5⅝	5⅝	5⅝	− ⅛
8⅛	5⅛	Sonotone .28	9	6⅝	6⅝	6⅝	6⅝	− ⅛
12	8½	Soss Mfg .20g	1	8⅞	8⅞	8⅞	8⅞	....
40½	35⅝	SoPennOil 2a	1	37⅞	37⅞	37⅞	37⅞	....
26¾	22⅝	SCE4.88pf 1.22	2	24⅛	24⅛	24⅛	24⅛	− ⅛
24⅛	20	SCE 4.32pf 1.08	4	20⅝	20⅞	20½	20⅞	+ ⅛
22⅞	19½	SCE 4.08pf 1.02	1	20	20	20	20	+ ⅝
43½	38½	SCE4.48pref 1.12	1	40½	40½	40½	40½	− ⅛
7⅛	4	SoCal Pet	2	6¼	6¼	6¼	6¼	....

1957 High	1957 Low	Stocks Div.	Sales in 100s	Open	High	Low	Last	Net Chg.
2¼	1½	Waltham Prec	8	1⅞	1⅞	1¾	1⅞	....
1⅞	1½	Webb Knapp	38	1⅝	1⅝	1½	1⅝	....
144	130¼	Webb K pf4½k	z50	137	137	137	137	− ¾
3⅝	2½	Weiman Co	13	3¼	3¼	3⅛	3⅛	− ⅛
2½	1⅞	Wentwth Mf	15	2⅛	2⅛	2⅛	2⅛	+ ⅛
¼	⅛	Wn StkIn .005g	10	3-16	3-16	3-16	3-16	..
47	35	Westm Cl 2⅛f	z100	46½	46½	46¼	46¼	− ½
3	1½	WhiteE Int	22	1⅝	1⅝	1⅝	1⅝	+ ⅛
4⅝	3⅛	WichitROil	1	3¼	3¼	3¼	3¼	....
12⅝	10½	Wickes Cp .60	1	11⅛	11⅛	11⅛	11⅛	− ⅛
8⅞	5⅛	Williams RC	z300	8¼	8¼	8¼	8¼	− ⅛
26½	19	Wms McW 1d	20	19¼	19¼	18⅝	19	− ¼
17½	14⅛	WilBr pf1⅛	z575	14½	15	14	15	+ ½
101	96	WiscPL pf4½	z10	94⅛	94⅛	94⅛	94⅛	− 1⅞
15¾	11⅞	WoodNM .90	z200	14¼	14¼	14¼	14¼	..
21⅞	16⅛	WoodallIn 1.20	1	20	20	20	20	− ⅝
79½	69⅛	WoodleyP ½b	3	71½	71½	70½	70½	− 1
1 11-16	1 3-16	WrightH .03p	11	1⅝	1⅝	1⅝	1⅝	− ⅛
Z								
23	15⅝	Zapata Pet	1	20½	20½	20½	20½	− ⅛

z–Unit of trading less than 100 shares or sales in full.

Rates of dividends in the foregoing table are annual disbursements based on the last quarterly or semi-annual declaration. Unless otherwise noted, special or extra dividends are not included.

a–Also extra or extras. b–Annual rate plus stock dividend. d–Declared or paid in 1957 plus stock dividend. e–Paid last year. f–Payable in stock during 1957, estimated cash value on ex-dividend or ex-distribution date. g–Declared or paid so far this year. h–Declared or paid after stock dividend or split up. k–Declared or paid this year, an accumulative issue with dividends in arrears. p–Paid this year, dividend omitted, deferred or no action taken at last dividend meeting. r–Declared or paid in 1956 plus stock dividend. t–Payable in stock during 1956, estimated cash value on ex-dividend or ex-distribution date. y–Liquidating dividend.

cld–Called. xd–Ex dividend. x-dis–Ex distribution. xr–Ex rights. xw–Without warrants. ww–With warrants. wd–When distributed. wi–When issued. nd–Next day delivery. wt–Warrants. ur–Under rule. ext–Extended voting trust agreement.

q–In bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.

Years high and low range does not include changes in latest day's trading.

Where a stock dividend or split amounting to more than 25 per cent has been paid the year's high-low range and dividend are shown for the new stock only.

United States Government Issues

New York Stock Exchange Transactions, None

World Bank Bonds

New York Stock Exchange Transactions, None

Corporation Bonds

Volume, $2,980,000

New York Stock Exchange Bonds

Monday, July 22, 1957

Volume, All Issues, $3,080,000

SINCE JANUARY 1

	1957	1956	1955
Total sales	$373,676,050	$385,148,400	$383,621,000

	Foreign Mon	Foreign Fri	Domestic Mon	Domestic Fri	All issues Mon	All issues Fri
Issues traded	36	28	204	195	240	223
Advances	12	12	58	45	70	57
Declines	16	10	97	95	113	105
Unchanged	8	6	49	55	57	61
New highs, 1957	1	1	3	3	4	4
New lows, 1957	1	1	21	17	22	18

Dow-Jones Bond Averages

1955 High	1955 Low	1956 High	1956 Low	1957 High	1957 Low		Monday 1957		Monday 1956		Monday 1955	
101.15	98.00	99.44	89.59	91.01	86.67	40 Bonds	86.64	− .03	95.74	− .01	99.68	+ .01
102.99	99.72	101.53	89.19	90.65	86.68	10 Higher Grade Rails	86.91	− .02	96.61	+ .02	101.47	+ .07
101.57	99.22	100.29	89.96	90.97	84.47	10 Second Grade Rails	84.55	+ .08	96.21	+ .28	101.15	+ .05
100.66	96.09	98.18	87.45	90.59	85.91	10 Public Utilities	85.86	− .05	94.43	− .16	97.71	− .02
99.90	96.66	98.26	91.51	93.00	88.93	10 Industrials	89.26	− .14	95.73	− .17	98.39	− .03
91.80	88.03	89.94	79.61	80.97	72.22	Income Rails	72.40	+ .07	85.61	− .10	91.47	− .05

1957 High	1957 Low	Bonds	Sales in $1,000	High	Low	Last	Net Chg.
109⅝	100	Ches & O 4½s 92	2	100	100	100	....
91½	85⅛	Ches & O 3½s 96D	4	86¼	86¼	86⅛	....
91½	86⅛	Ches & O 3½s 96E	15	90⅛	90	90	− ⅛

1957 High	1957 Low	Bonds	Sales in $1,000	High	Low	Last	Net Chg.
88	81	MackTrks 5½s68	14	85½	85	85½	+ 1

Foreign Bonds

Volume, $220,000

1957 High	1957 Low	Bonds	Sales in $1,000	High	Low	Last	Net Chg.
46¼	40⅛	Chile 3s93	11	40⅛	39½	40	− ⅛
61⅞	52⅞	Costa R 3s72	10	61	61	61	....
100⅝	99⅛	Denmark 4½s62	4	99⅞	99½	99⅞	− ⅛
135	132	German 7s49xf	5	135	135	135	+ 1
123½	118	German 5½s65f	2	123	123	123	....
99¾	95⅝	Germany 5½s69	6	97	96¾	97	+ ⅛
89⅝	85¾	Germany 5s80	3	89	89	89	+ ½
75½	70	Germany 4s72	4	75½	75½	75½	+ 1⅛
84½	79⅝	Germany 3s63	10	85½	84½	85½	+ 1
69	64¼	Germany 3s72Dec	1	66⅛	66⅛	66⅛	+ ¾
21¼	15½	Greek 7s64f	3	20	20	20	− 1
19½	13⅝	Greek 6s68f	3	17½	17½	17½	− ⅛
82	78¼	Hamburg St 4½s66	1	81½	81½	81½	− ½
101	98¾	HighAuthor 5½s75	19	99⅝	99⅝	99⅝	....
62	56¾	ItalCCon 3s77	11	59	58¾	58¾	− ¾
66	58⅛	Ital Rep 3s77	21	60	59⅛	59⅛	− ⅞
104	100¼	Japan 6½s64st	6	101¾	101¾	101¾	+ ¼
51½	47¼	Medel Mun 3s78	1	50⅛	50⅛	50⅛	− ¾
101⅛	99½	Norway 4¼s65	1	100	100	100	+ ⅝
100⅛	97¾	Norway 4¼s 65 new	10	99⅝	99⅛	99⅝	+ ⅝
100	96	Orient D 6s63st	2	95	95	95	− 4½
22	17¼	Poland as 4½s68f	2	19⅞	19⅞	19⅞	+ ⅞
52⅝	46⅝	Porto Al 7½s66st	6	49	49	49	− 3¾
15	13¼	Serbs CS 8s62f	4	13⅝	13⅝	13⅝	− ⅝
96¼	87½	UnSo Africa 4¼s65	16	89	88	88	− 1
95	77	Urug aj 4⅛s79	2	80	80	80	....

q–In bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. xi–Ex interest. ct–Certificates. st–Stamped. f–Dealt in flat. x–Matured bonds, negotiability impaired by maturity. nd–Next day delivery.

Years high and low range does not include changes in latest day's trading.

American Stock Exchange Bonds

VOLUME, $50,000

SINCE JANUARY 1

	1957	1956	1955
Total sales	$8,891,000	$13,333,000	$23,716,000

American Stock Exch.

Closing Bid and Asked Prices of Stocks Not Traded

Gross National Product In 2nd Quarter Is Put About 1% Above First

By a WALL STREET JOURNAL *Staff Reporter*

WASHINGTON — The Council of Economic Advisers estimated the gross national product rose by $4.4 billion, or about 1%, between the first and second quarters of 1957.

In its monthly pamphlet, Economic Indicators, prepared for the House-Senate Economic Committee, the C.E.A. estimated the G.N.P. for the second quarter at a seasonally adjusted annual rate of $433.5 billion, compared with $429.1 billion during the January-March period this year.

The second quarter rate of G.N.P.—the total output of goods and services—compared with $410.8 billion in the like three-month period of 1956; an increase of about 5%.

The rate of growth between the first and second quarters was a little faster than the $3 billion increase between the fourth quarter of last year and the first of this year, but was slower than any quarterly jump during 1956.

The Economic Advisers said all major sectors making up the gross national product contributed to the rise except net foreign investment. Personal consumption expenditures, the President's Council estimated, went up by $1.1 billion to $277.8 billion; gross private domestic investment increased by $2.1 billion to $64.8 billion, and Government purchases of goods and services climbed by $1.7 billion to $87.3 billion. This includes Federal, state and local government spending.

But net foreign investment, the economic indicators showed, fell by $600 million to $3.5 billion.

Monday's Volume, 1,950,000 Shares

Volume since Jan 1	1957	1956	1955
Total sales	302,309,724	331,007,937	399,479,009

MOST ACTIVE STOCKS

	Open	High	Low	Close	Chg.	Volume
Decca Records	19⅝	19⅝	18¾	19¼	+ 2	106,300
Sunshine Mng	12½	13⅞	12⅝	13⅝	+1⅝	72,200
El Paso N G	38¼	38⅜	35½	35½	−2⅞	42,500
El Paso NG B	36⅞	37¼	33½	34	−3	31,900
Schering	96½	96½	89⅝	89¾	−6⅝	24,400
Chrysler	79⅞	80⅝	79⅝	80⅝	+1	21,500
Gen Motors	46⅛	46⅜	45⅞	45¾	− ⅜	20,100
Case Co	18⅛	18¼	18	18⅛	+ ⅛	17,900
Unit Artist	25	25⅜	24⅞	25	+ ¼	16,800
Transamerica	36⅝	36⅞	35⅝	35⅝	−1⅜	15,400

Average closing price of most active stocks: 39.69.

New York Stock Exchange Transactions

Monday, July 22, 1957

A

High (1957)	Low (1957)	Stocks Div.	Sales in 100s	Open	High	Low	Last	Net Chg.
51¾	37¼	Abbott L 1.80	17	50½	50⅝	49⅞	50	− ½
17½	11¼	ABC Vend .80	8	16¼	16⅜	16⅛	16½	....
64⅞	58⅛	ACF Ind 4	7	62¼	62½	62	62½	....
16¼	13½	ACF Wrig .40b	5	14¼	14⅜	14¼	14⅜	− ⅛
38⅝	31¼	Acme Stl 2	7	31⅞	32	31⅝	31⅝	− ¼
27½	23⅝	Adams Ex .65g	9	27¼	27¼	26¾	27¼	....
14⅞	10⅝	Admiral	5	10⅞	10⅞	10¾	10¾	− ⅛
31⅜	20⅛	Aeroquip .40b	2	29⅝	30	29⅝	30	+ ⅜
30½	26⅝	Aetna Std 1½b	17	28	30⅛	28	29⅝	+2¼
65⅜	46½	Air Reduc 2½	25	59¼	59⅝	59	59¼	− ⅛
3⅝	2½	Alaska Jun	4	3⅛	3⅛	3⅛	3⅛	....
114	107	Alco Pd pf 7	z50	108½	108½	108½	[illegible]	[illegible]

z–Unit of trading ten shares or sales in full.

Rates of dividends in the foregoing table are annual disbursements based on the last quarterly or semi-annual declaration. Unless otherwise noted, special or extra dividends are not included.

a–Also extra or extras. b–Annual rate plus stock dividend. d–Declared or paid in 1957 plus stock dividend. e–Paid last year. f–Payable in stock during 1957, estimated cash value on ex-dividend or ex-distribution date. g–Declared or paid so far this year. h–Declared or paid after stock dividend or split up. k–Declared or paid this year, an accumulative issue with dividends in arrears. p–Paid this year, dividend omitted, deferred or no action taken at last dividend meeting. r–Declared or paid in 1956 plus stock dividend. t–Payable in stock during 1956, estimated cash value on ex-dividend or ex-distribution date. y–Liquidating dividend.

cld–Called. xd–Ex dividend. x-dis–Ex distribution. xr–Ex rights. xw–Without warrants. ww–With warrants. wd–When distributed. wi–When issued. nd–Next day delivery.

q–In bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.

Years high and low range does not include changes in latest day's trading.

Where a stock dividend or split amounting to more than 25 per cent has been paid the year's high-low range and dividend are shown for the new stock only.

Untraded Stock Bid and Asked on Page 18

First Bank Stock

Correction:

FIRST BANK STOCK CORP. (Minneapolis) and affiliates report for the six months ended June 30:

	1957	1956
Earned per share	$1.67	$1.63
a-Net operating earnings	5,820,131	5,677,538
Capital shares	3,479,155	3,479,155

a-After taxes and charges.

Foreign Exchange

Monday, July 22, 1957

	Monday (In Dollars)	Prev. Day (In Dollars)
Canada (Free Dollar)	1.05 19-64	1.05 17-64
England (Pound)	2.78 23-32	2.78 11-16
30-day Futures	2.78⅝	2.78 7-16
90-day Futures	2.77¾	2.77 13-16
Transferable	2.7730	2.7735
Switch (or Security)	2.70¾	2.70⅝
Australia (Pound)	2.23	2.23
New Zealand (Pound)	2.77 23-32	2.77 11-16
South Africa (Pound)	2.79 3-32	2.79 1-16
Belgium (Franc)	.0199 7-16	.0199 7-16
Holland (Guilder)	.2613	.2615
Switzerland (Franc)	.2333¼	.2333½
West Ger. DM (Freely Convert.)	.2383	.2383
DM (Liber. Cap.)	.2382	.2381
DM (Lim. Convert.)	.2376	.2376
LATIN AMERICA:		
Argentina ("Free" Peso)	.0234	.0237
Brazil ("Free" Cruzeiro)	.0141	.0141
Chile ("Free" Peso)	.0016	.0016
Colombia ("Free" Peso)	.1775	.1775
Mexico (Peso)	.0802	.0802
Peru (Sol)	.0528	.0528
Uruguay ("Free" Peso)	.2460	.2460
Venezuela (Bolivar)	.3000	.3000
NEAR EAST:		
Iraq (Dinar)	2.79 11-16	2.79 11-16
Lebanon (Pound)	.3175	.3175
FAR EAST:		
India (Rupee)	.2091	.2090
Pakistan (Rupee)	.20945	.20935
Hong Kong (H. K. Dollar)	.1735	.1735

These buying prices were quoted at 4 p.m. by the First National City Bank of New York for foreign banknotes (official rates in parenthesis where officially-sanctioned fluctuations are too small to warrant daily comparison):

	Monday	Prev. Day
England (Pound)	2.75	2.75
France (Franc) (.00285⁄₇)	.00243	.00243
Holland (Guilder)	.2570	.2570
Italy (Lira) (.00161)	.00160	.00160
Spain (Peseta) (.0236)	.0193	.0193
Germany (DM)	.2360	.2360
Argentina (Peso)	.0230	.0230
Brazil (Cruzeiro)	.0130	.0130
Chile (Peso)	.0013	.0013
Colombia (Peso)	.1550	.1550
Uruguay (Peso)	.2350	.2350
Egypt (Pound) (2.881)	1.70	1.70
Turkey (Lira) (.3575)	.0750	.0750
India (Rupee)	.1900	.1900
Pakistan (Rupee)	.1300	.1300
Hong Kong (H. K. Dollar)	.1500	.1500
Japan (Yen) (.0028)	.00240	.00240
Philippines (Peso) (.4992)	.2800	.2800

Inactive currencies: Cuba (1.001); Denmark (.1452); Iran (.0135); Norway (.1403); Portugal (.0350); Sweden (.1937).

London Exchange Rates

LONDON—The following exchange rates have been quoted: New York; 2.78⅝-2.78 11-16. Canada was 2.64⅝-2.64 11-16.

National Automotive Fibres

NATIONAL AUTOMOTIVE FIBRES, INC. consolidated report for six months ended June 30:

	1957	1956
Earned per share	$.81	......
Net sales	27,775,554	$26,624,458
Net income after taxes	888,046	d-48,860
Capital shares	1,095,760	1,095,760

d-Net loss.

For the quarter ended March 31, last, net income was $553,791 or 51 cents a share compared with $258,118 or 24 cents a share in the like 1956 period.

Wagner Baking

WAGNER BAKING CORP. reports for the 24 weeks ended June 15:

	1957	1956
Sales	$6,927,585	$6,144,365
Net loss	171,472	a-16,645

a-Income.

Frederick W. Birkenhauer, chairman and president of Wagner Baking, said declines in unit sales resulted from customer resistance to necessary price increases and from competition from national grocery bakers "who are consistently underselling wholesale bakers." He added that pie sales also were adversely affected by competition from the heavily-advertised frozen pies.

Schering Corp.

SCHERING CORP. reports for quarter ended June 30:

	1957	1956
Earned per share	$1.41	$1.35
Net sales & other revenues	14,437,000	13,567,000
Net before taxes	5,345,000	4,979,000
Taxes	2,873,000	2,600,000
Net income after taxes	2,472,000	2,379,000
Capital shares	1,760,000	1,760,000
Six months ended June 30:		
Earned per share	$2.78	$2.65
Net sales & other revenues	29,438,000	27,220,000
Net before taxes	10,589,000	9,829,000
Taxes	5,705,000	5,155,000
Net income after taxes	4,884,000	4,674,000

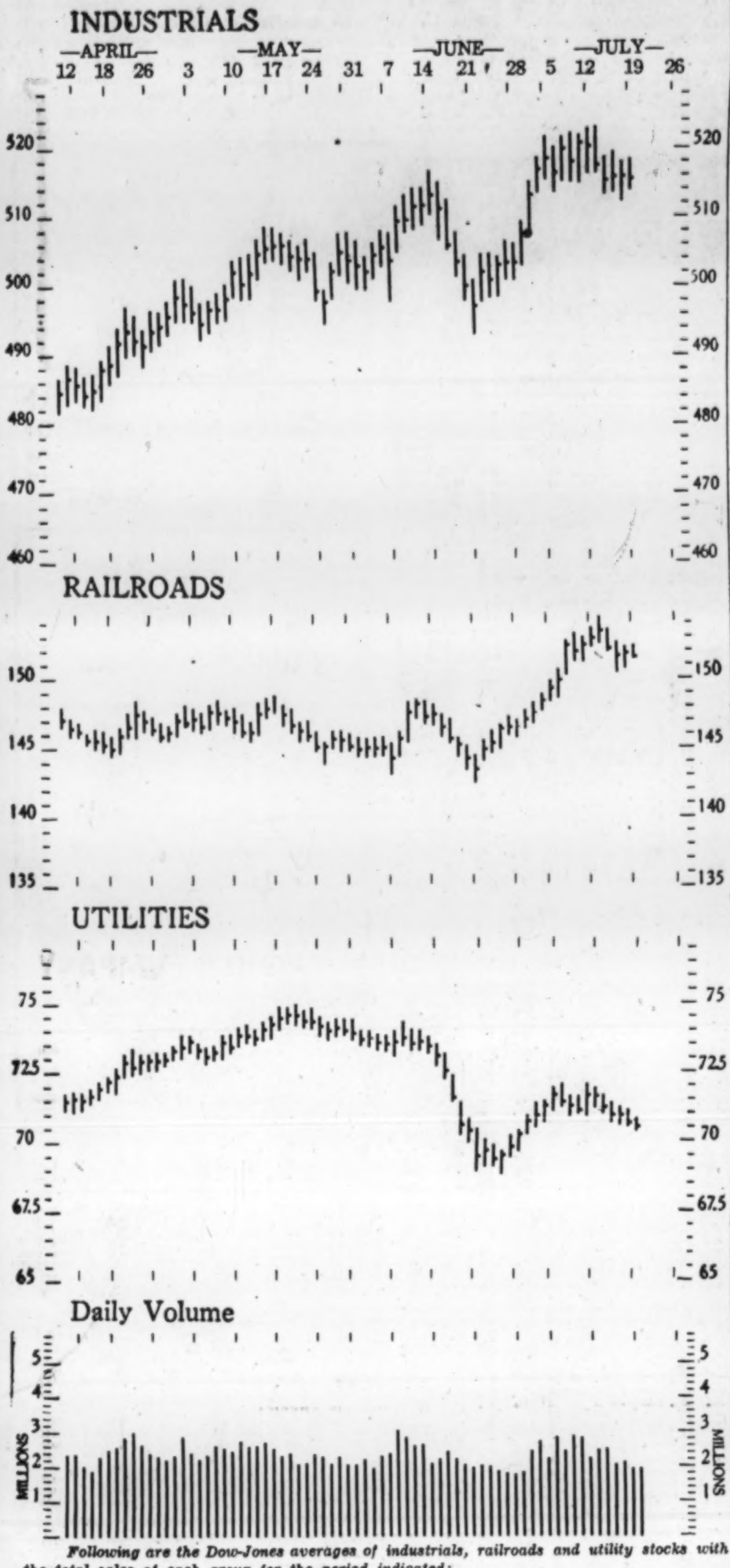
Shering's equity in the earnings of foreign subsidiaries (which are not consolidated) was estimated by the company at 64 cents per share for the first half of 1957, against 34 cents a share in the like 1956 period.

Minneapolis-Honeywell

MINNEAPOLIS-HONEYWELL REGULATOR CO. reports for the quarter ended June 30:

	1957	1956
Earned per com share	$.77	a-$.77
Sales	81,820,884	76,676,375
Net income after taxes	5,049,351	5,024,250
Common shares	6,622,376	6,359,649
Six months ended June 30:		
Earned per com share	$1.56	a-$1.46
Sales	158,128,390	124,843,099
Net income after taxes	10,304,470	9,560,314

The Dow-Jones Averages



Following are the Dow-Jones averages of industrials, railroads and utility stocks with the total sales of each group for the period indicated:

Date	Open	Time 11	12	1	2	Close	Change	%	High	Low	Shares Sold
30 INDUSTRIALS:											
July 22	516.08	515.55	515.58	515.99	515.52	513.32	− 0.41	− 0.08	518.24	513.62	196,900
July 19	515.61	515.58	514.24	513.77	514.12	515.73	+ 0.09	+ 0.02	517.94	512.08	181,200
July 18	515.49	516.60	517.24	517.04	517.39	513.64	+ 0.53	+ 0.10	519.34	513.33	217,200
July 17	516.40	516.46	516.43	515.87	514.94	515.11	− 2.31	− 0.44	518.64	513.13	199,800
July 16	521.04	520.66	520.48	519.84	519.81	517.42	− 2.74	− 0.52	523.11	516.28	288,100
20 RAILROADS:											
July 22	152.11	152.07	151.95	152.02	151.82	151.55	− 0.29	− 0.19	152.38	151.42	37,200
July 19	151.46	151.28	151.13	151.22	151.13	151.84	+ 0.20	+ 0.13	152.31	150.68	60,200
July 18	152.30	152.20	152.29	152.00	152.02	151.64	− 0.52	− 0.34	152.65	150.39	51,400
July 17	153.38	153.27	153.03	152.78	152.40	152.16	− 1.29	− 0.84	153.61	151.93	59,800
July 16	153.18	153.27	153.18	153.76	153.72	153.45	+ 0.56	+ 0.36	154.48	152.53	105,800
15 UTILITIES:											
July 22	70.55	70.80	70.67	70.72	70.69	70.53	− 0.14	− 0.20	70.86	70.36	32,700
July 19	71.01	71.04	70.97	70.97	70.94	70.67	− 0.27	− 0.38	71.17	70.55	34,400
July 18	70.98	71.01	70.91	70.86	70.89	70.94	− 0.01	− 0.01	71.26	70.61	35,500
July 17	71.08	71.05	71.11	71.10	71.01	70.95	− 0.28	− 0.39	71.43	70.70	38,700
July 16	71.64	71.48	71.49	71.43	71.36	71.23	− 0.41	− 0.57	71.71	71.01	38,300
65 STOCKS COMPOSITE AVERAGE:											
July 22	178.30	178.32	178.21	178.33	178.16	177.98	− 0.23	− 0.13	178.95	177.53	266,800
July 19	178.22	178.18	177.82	177.75	177.79	178.21	− 0.03	− 0.01	179.00	177.08	275,800
July 18	178.38	178.63	178.74	178.60	178.69	178.24	− 0.04	− 0.02	179.42	177.29	304,100
July 17	178.94	178.91	178.86	178.67	178.33	178.28	− 0.95	− 0.53	179.61	177.70	298,300
July 16	180.07	179.96	179.90	179.90	179.86	179.23	− 0.59	− 0.33	180.90	178.65	432,200

Averages are computed by dividing prices by the following: Industrials 4.283; Rails 5.601; Utilities 8.53; 65 stocks 20.55.

TOTAL STOCK TRANSACTIONS

	Monday	Friday	Thursday
10:00 to 11:00	400,000	380,000	430,000
11:00 to 12:00	370,000	350,000	440,000
12:00 to 1:00	330,000	350,000	340,000
1:00 to 2:00	240,000	210,000	220,000
2:00 to 3:00	290,000	260,000	290,000
3:00 to 3:30	320,000	380,000	410,000
Total	1,950,000	1,930,000	2,130,000

Volume by Groups

	Monday	Friday	Thursday
Industrials	1,640,000	1,670,000	1,780,000
Railroads	80,000	90,000	100,000
Utilities	230,000	170,000	250,000

New 1957 Highs and Lows On N. Y. Stock Exchange

Monday, July 22, 1957

New highs (20)

Am Met Prod; Belding Hem; Brun Balke; Celan 7pf; Cen Ga Ry.

Decca Rec; Froedt Cp; Gen Elec; Jones&L; Kimb Clk; Mandel Bros; Mpls&StL.

Poor&Co; Schering; Sunsh Mng; Trane Co; Un Bag C Pap; Un Artists.

West Ind Sug; Winn Dixie.

New lows (42)

Admiral; Am Bk Note; Am Bd Par; Am Sugar; Atchison pf; Atl Refin pf.

Balt Gas pf C; Cater Tract; Cen Ill Lt; Clev&P spl; Colo F&I pf; Comw Ed pf; ConCigar; Cont Bk pf.

East Corp; Ex-Cell-O; Fajardo Sug; Gamble Skog; Gen Mills pf; Granby Min; Gulf SU 4.40 pf.

Hat Corp; Hooker El; Inspir Cop; Int Silver; Iowa Il G&E.

Minn&Ont; Minute Maid; Mohasco Ind; Nat Aviat; NYNH&H pf; Nia M 3.60 pf; Nwst Air pf.

Phila El 3.80 pf; Philip Mor; Pit Metallu; Quak Oats pf.

Rey Tob B; Un Elec 4 pf; Unit Fruit; Wheel&LE; White Sew.

Odd-Lot Trading

NEW YORK—Carlisle & Jacquelin and De Coppet & Doremus reported handling the following odd-lot transactions on the New York Stock Exchange July 19.

	Customer Purchases	Short Sales	Other Sales	Total Sales
Number of shares	238,281	944	183,436	184,380

WASHINGTON—Weekly odd-lot trading statistics, as reported by the Securities and Exchange Commission, compare as follows:

Week ended:	Shares	Value
—Customers Orders to Buy—		
July 5	1,177,427	$61,855,903
June 28	1,243,296	$67,174,539
—Customers Orders to Sell—		
July 5	894,184	$45,994,118
June 28	918,696	$47,024,644
—Dealer Round Lot Transactions (Shares)—	Purchases	Sales
July 5	516,370	194,240
June 28	536,590	207,870

For the week ended July 5, short term sales by customers were 4,469.

Abreast of the Market

EDITED BY OLIVER J. GINGOLD

Volume increased a trifle yesterday on the New York Stock Exchange from Friday's slim total but price changes in the Dow-Jones averages were minor throughout the session. Firming tendencies were noted around mid-session and again just before the close but in neither instance was there any particular follow through.

Behavior of Chrysler and Westinghouse Electric was outstanding among pivotals. They gained more than a point each in contrast to general easiness for leading motors and electricals. Strong individual moves were confined to specialties for the most part, however. Decca, for instance, rose 2 to a new high of 19¼, West Indies Sugar 4⅞ to a new high of 72⅞, Sunshine Mining 1⅜ to a new high of 13⅜, Superior Oil 30 to 1930 and United Artists a fraction to a new high above 25.

On the other hand, El Paso Natural Gas issues experienced renewed weakness with both the A and B stocks losing close to three points on news that anti-trust action had been filed against the company's acquisition of Pacific Northwest Pipeline Corp. Also under special pressure were General Tire, off 2⅝ to 92, International Nickel more than a point to 99 before a late recovery, International Silver and Revlon around a point each, and Schering more than 6 to 89¾.

As a group, steels were firm although individual price advances within the division were not wide. Aircrafts rested after their recent rebound from protracted pressure. Cities Service was stronger in a mixed oil group rising almost a point to 67½.

On the American Exchange trading was irregular and much quieter than in recent sessions with Thiokol, Fairchild Camera, Sherwin-Williams, Goodman Manufacturing and Vanadium Alloys rising a point or more, while Todd Shipyards and Allied Controls lost one to two points.

MARKET DIARY

	Mon.	Fri.	Thur.	Wed.	Tues.	Mon.
Issues traded	1,131	1,130	1,148	1,182	1,182	1,183
Advances	369	374	404	300	377	462
Declines	492	484	469	631	548	481
Unchanged	270	272	275	251	257	242
New highs, 1957	20	16	20	21	45	51
New lows, 1957	42	28	24	43	35	35

DOW-JONES CLOSING AVERAGES

—MONDAY—	1957	Changes		1956	Changes	
Industrials	513.32	−0.41	−0.08%	513.61	−0.96	−0.18%
Railroads	151.55	−0.29	−0.19%	170.44	+2.48	+1.47%
Utilities	70.53	−0.14	−0.20%	70.25	+0.42	+0.60%

Ex-dividend of American Can Co. 30 cents lowered the Industrial Average by 0.11.

Earnings of American Ice picked up in the first six months, largely because of recent acquisitions in retail coal and retail and wholesale fuel oil distributing operations. Half year net income is understood to have been more than $120,000, equal to about 25 cents a share, up from $73,997, or 10 cents a share, reported for the like 1956 period. . . . **Bell Helicopter**, a subsidiary of Bell Aircraft, has sold more commercial helicopters this year than in all 1956 and expects commercial sales to equal military sales within a couple of years.

Heard on the Street

Douglas & Lomanson (over the counter) is understood to have done as well in the second quarter as in the first three months, when $246,736, equal to 81 cents a share, was earned on sales of $3,429,019. A seasonal decline is anticipated in third quarter operations but a rebound in the fourth quarter is expected to enable the company to increase net for the full year to between $2.25 and $2.50 a share from the 10 cents a share earned in 1956. Bulls on the stock say there is a good chance the first dividend since 10 cents a share was disbursed in 1954 will be paid later in the year. . . . A better-than-anticipated showing in the second half of the year ended June 28 enabled **Allied Kid** to offset lower profits in the first six months and earn substantially the same as in fiscal 1956, when net was $844,978, equal to $3.51 a share, according to Benjamin Simons, president. Sales inched up close to $28 million from $27,547,574 in fiscal 1956. Because of competitive conditions, increased operating costs—including all materials used in tanning—could not be passed along in higher leather prices, but the impact was cushioned by more efficient manufacturing and selling. Allied looks forward to continued good demand for its leathers in fiscal 1958 and profitable operations, Mr. Simons said. . . .

Market Views—

OPINION: "The market continues to act well. Each time an overbought condition is about to be reached, it quiets down and consolidates. As long as this type action continues, the market is not subject to more than the usual technical corrections," according to Edmund W. Tabell, of Walston & Co. . . . G. S. Colby, of duPont, Homsey & Co., Boston: "We cannot help but be more impressed with the probably superior market influence of continuing inflationary forces and consequent erosion of dollar purchasing power as opposed to expansion-limiting higher rates for credit." . . . Paine, Webber, Jackson & Curtis says "it is difficult to see how the market can make much, if any, further progress while the Federal Reserve Board maintains its present position." . . . Herbert E. Stern & Co. believes that "any weakness here should be regarded as a buying opportunity." . . . Felix Juda, of Sutro & Co.'s Los Angeles office, says that "any market that has advanced 30 points in three weeks to its old high would seem entitled to some correction," but he looks for "a continuation of favorable specialized performances."

ANALYSIS: Thomson & McKinnon has a special report on **Southern Pacific**. . . . Osborne & Thurlow has analyzed **Grand Union**. . . . G. A. Saxton & Co., Inc. has a comprehensive review of **Dunham-Bush, Inc.** . . . Fahnestock & Co. analyzes **C. & O.** and **Stewart-Warner** in its Weekly Review . . . Dean Witter & Co. has made a study of **Fibreboard Paper Products**. . . . **Dover Corp.** has been reviewed by Auchincloss, Parker & Redpath's Washington office. . . . E. F. Hutton & Co. has a pamphlet analysis of **National Gypsum**. . . .Burnham & Co. has a seven-page study of **Royal McBee**. . . . **Transamerica Corp.**—A Reappraisal is the title of a review by Arthur Wiesenberger & Co. . . . Parrish & Co. has a report on **Marine Midland**. . . . **Ex-Cello-O, Michigan Seamless Tube** and **Cascade Natural Gas** have been discussed by McManus & Walker.

* * *

Crown Zellerbach Operating Net Declines

Crown Zellerbach Corp.'s net from operations for the first half of 1957 was off about 25% from the $24,973,000, equal to $1.76 a share, earned in the first six months last year, A. B. Layton, president, told The Wall Street Journal. The 1956 figure is exclusive of a special gain on the sale of its Fibreboard Products investment. Both dollar and tonnage sales for the first six months this year were slightly higher than the $223,504,000 and 828,208 tons, respectively, reported for the first half of 1956.

Mr. Layton expects second half earnings to be somewhat better than those in the first six months. He says that since July 1 the company has experienced "quite a noticeable pick-up in orders," but "it's a cinch we're not going to make what we did last year." In 1956 Crown Zellerbach had net, excluding the special gain, of just over $50 million, or $3.53 a share.

"We haven't been able to sell our increased capacity," Mr. Layton said in explaining the earnings drop. Last year new facilities and improvements to existing mills raised the company''s annual manufacturing potential by 175,000 tons, or about 11%. Thus, fixed charges are higher this year without compensating increased production. In addition, a cost-price squeeze has compressed profits, he said. All items that comprise costs to the company are up from a year ago but, largely due to present over-capacity in the industry, prices have not advanced enough to offset increased expenses. Another factor cutting the 1957 comparison is the absence of retroactive tax credits, which in 1956 amounted to $2,500,000.

Low sales in the first half are attributed to customers using up inventories accumulated when kraft paper and paperboard were in short supply. Now, however, CZ plants which had been cut to as low as a five-day week in some cases in May and June have been returned to six and seven day operation. Total capital expenditures this year will amount to between $65 million and $70 million, some $7 million to $10 million less than in 1956.

* * *

Beckman Sees Net Profit for Fiscal '57

Beckman Instruments, Inc., operated profitably in the year ended June 30 despite losses on Government contracts in one division and sharply increased research and development costs, Dr. Arnold O. Beckman, president, said in an interview. It is expected, however, that the losses—which cut the company's net per share in the third quarter, ended March 31, to five cents from 31 cents a share in the like period a year earlier—considerably reduced earnings for full fiscal 1957. Dr. Beckman said the loss was taken by the company's Arga division and the write-off in the third quarter totaled $1,175,000. Production on the contracts is nearly completed, Dr. Beckman said, and all losses have been absorbed. "We wanted to make sure nothing was carried into fiscal 1958," he added.

Sales for fiscal 1957 totaled between $38 millon and $39 million, up from $29.3 million the previous year, when the company earned $1,700,000, or $1.36 a share. For fiscal 1958 the company forecasts "conservatively" a 25% sales gain over 1957, Dr. Beckman said, with "profits back in the groove." Dr. Beckman based part of his sales increase forecast on a further expansion of products the company sells. The newly-organized systems division, which builds automated control systems for continuous process operations such as oil refineries and chemical plants, now has a backlog of between $6 million and $7 million in orders.

Production in this and the new semi-conductor division is the payoff of an intense research and development program which in fiscal 1957 boosted research costs to over $5 million, a 61% increase over the 1956 budget, Dr. Beckman said. He indicated that while he expects research and development expenditures in fiscal 1958 to increase over 1957, the increase won't be on the same scale as in the previous year.

Expenditures for plant expansion, which amounted to $3,420,000 in 1957, will be considerably less in the current fiscal year, Dr. Beckman said. The company plans no immediate financing, but it may later sell some equity securities to finance expected continued growth of the range of products it sells, Dr. Beckman said. He added that while "the door hasn't been entirely closed on the proposed acquisition of Statham Laboratories, Inc. (privately controlled) we're not doing anything on it now." Merger talks leading toward acquisition of Statham for up to 400,000 shares of Beckman stock were broken off last March because of "an accumulation of legal and tax problems."

* * *

Rexall Says Earnings Rose in 2nd Quarter

Rexall Drug Co.'s net for the second quarter improved over the like 1956 period "when we earned 20 cents a share," W. T. Lillie, vice president and treasurer, told this newspaper, but "we didn't pick up enough" to pull even with the 1956 first-half net of 52 cents a share. In the last six months of 1957, however, "we expect to at least equal the 83 cents a share we earned for that period in 1956." For all 1957, "we're predicting that Rexall will earn between $1.30 and $1.40 a share," Mr. Lillie said. Last year the company earned $4,473,596, or $1.35 a share.

The company experienced a poor first quarter, with net per share off to 22 cents from 32 cents a year earlier. Sales were $37,088,463, off slightly from the like 1956 period. Sales for the six months ended June 30 were "a little better" than the $71,986,023 reported for the first half last year. Mr. Lillie predicted that sales will continue on the upgrade, and for the entire year will show an increase over the $155.6 million reported for 1956. He said Rexall has no financing plans that the company can talk about at this time.

Oils Active in London

LONDON—Demand for Trinidad Petroleum, reported to be mainly for American account, highlighted trading in the London stock market. Shell Trinidad also was strong. Ultramar continued to gain ground in active dealings. Other oils showed some easiness.

British Government bonds posted gains.

Industrials were quiet and mixed. Department stores were slightly firmer.

Gold shares were easier and coppers were firm.

Foreign bonds were quiet and steady.

London Stock Averages

	London Finc. Com	Times Shr Index	Gov't Secur.	Reuters Indust.	Indexes Kaffirs
July 22	203.1	− 0.1	73.3	236.0	68.7
July 19	203.2	− 1.3	73.0	237.8	68.9
July 18	204.5	− 0.1	72.8	239.4	68.3

LONDON,—(AP)—British stock closings, in sterling:

Anglo-Am of S Af.	132s 6d	Monsanto Chem	17s 10½d
Anglo-Newfld Dev.	67s 6d	Mount Isa Mines	28s 9d
Assoc Elec Ind	61s	Rand Mines	63s 9d
Babcock & Wilcox	72s 6d	Rhodesian An-Am.	92s 6d
Blyvoors	20s	Rhokana Corp	715s
Borax Hldgs Ltd.	34s 1½d	Rolls-Royce	119s 4½d
Bowater Pap Ltd.	39s 7½d	Shell T & T	209s 9d
Brit Aluminium	64s 4½d	Stewarts & Lloyd	26s 4½d
Brit-Amer Tob	38s 4½d	Tanganyika Conc	149s
Brit Pet Co Ltd	151s 10½d	Unilever Ltd	110s 7½d
Burmah Oil	109s 7½d	United Molasses	38s 1½d
Central Mining	61s 3d	United Steel Corp.	c21s
Courtaulds	33s 3d	United Sua Betong	53s 3d
Daggafontein	29s 10½d	Vickers Ltd	41s
De Beers Def	110s 7½d	West Holdings	71s 3d
De Havilland	20s 10½d	West Reefs	26s 4½d
Distillers	24s 6d	Woolworth	48s 6d
Dunlop Rubber	20s	**BONDS**	
Electric & M Ind.	34s 4½d	Brit Consols 2½s	49⅝
Ford Ltd	37s 9d	Brit Tran 3s '78-'88	64
Free St Geduld	74s 10½d	British War 3½s	67⅞
General Elec Ltd.	50s	U.K. Funding 4s	87⅝
Gt Univ Strs Ltd	54s 4½d	U.K. Funding 3s	79⅝
Hawker Siddeley	43s 10½d	Austrian 4½s	81
Hudson's Bay Co.	273s 6d	Japanese 6s 1924	169
Imperial Chem	45s 3d	Jap 6s 1924 assent	105
Imperial Tob	38s 4½d	Can Pac deb 4s	63½
Metal Box	53s 9d	Int'l Bank for R&D	77½
Mexican Eagle	21s 3d	c-Ex-coupon.	

Anchor Hocking Glass

ANCHOR HOCKING GLASS CORP. and subsidiaries report for six months ended June 30:

	1957	1956	1955
a-Earn per com shr	$2.30	$2.07	$2.14
Net before inco taxes	b-7,904,186	6,096,462	6,761,577
Income taxes	4,218,979	3,017,460	3,578,013
Net income	3,685,207	3,079,002	3,183,564
Common shares	1,431,100	1,431,100	1,431,100

a-After preferred dividend requirements. b-After providing a reserve for contingencies of $225,000.

Net income for the March quarter of this year was $1,782,936 or $1.20 a common share, against $1,362,848 or 91 cents a share in the March quarter of 1956.

Solar Aircraft

SOLAR AIRCRAFT CO.: Balance sheet items compare as follows:

	Apr.30,'57	Apr.30,'56	Apr.30,'55
Cash	$3,366,278	$2,726,686	$3,417,621
Inventories, net	23,515,211	25,949,386	14,553,027
Current assets	35,097,537	35,413,501	24,498,333
Bank notes pay., curr.	15,300,000	14,500,000	5,250,000
Current liabilities	25,313,390	24,531,374	14,032,363
Common shares	700,052	689,437	683,873

Maine Public Service

MAINE PUBLIC SERVICE CO. reports for 12 months ended June 30:

	1957	1956
a-Earned per common share	$1.42	$.94
Operating revenues	4,296,714	3,833,463
Net income after taxes	625,775	447,768
Net after preferred dividends	534,400	352,827
Common shares	376,500	376,500

a-After preferred dividends.

Bridgeport Brass

BRIDGEPORT BRASS CO. reports for the six months ended June 30 (excluding earnings of unconsolidated subsidiaries):

	1957	b-1956
a-Earned per com share	$1.75	$1.53
Net sales	77,532,606	91,898,033
Net before income taxes	5,751,654	5,205,008
Federal income taxes	2,897,000	2,677,000
Net income	2,854,654	2,528,008
Balance after pfd divs	2,626,823	2,300,156

a-After preferred dividends and based on the 1,502,777 common shares outstanding as of June 30, 1957. b-Includes operations for the six months period of Hunter-Douglas Aluminum Corp., all of the capital stock of which was acquired by Bridgeport Brass Co. in March, 1956.

For the quarter ended March 31, last, net income was $1,423,010, equal to 87 cents a common share, compared with $1,735,898 or $1.08 a share in like period of preceding year.

Checker Cab

CHECKER CAB MANUFACTURING CORP. and subsidiaries report for quarter ended June 30:

	1957	1956	1955
Net loss	$252,151	$388,540	b-$166,911
Capital shares	866,888	866,888	866,888
Six months ended June 30:			
Net loss	$506,880	$638,270	b-$323,078

b-After giving effect to $217,090 federal income tax credit for the quarter and $416,409 for the six months.

Kansas City Southern

KANSAS CITY SOUTHERN RAILWAY and subsidiary, Louisiana & Arkansas Railway, report combined results for June and six months:

	1957	1956	1955
June gross	$5,621,656	$6,212,230	$6,087,427
Net operating income	897,383	1,077,578	1,162,507
Six months gross	36,410,385	37,531,963	35,597,716
Net operating income	6,033,879	6,732,626	6,994,733

House-Senate Conferees Approve $33.8 Billion Defense Spending Bill

Vote Is a Defeat for Senate, Pentagon; Cuts Will Have Little Impact on Outlays

By a WALL STREET JOURNAL *Staff Reporter*

WASHINGTON—House Appropriation Committee Democrats won a major economy victory over the Senate over their differences on the biggest money bill of the year.

In a major setback for the Administration, House-Senate conferees on the Defense Department appropriation bill agreed to a net increase of only $197 million in the original House total, compared with the $972 million in additional funds voted by the Senate.

This means the final bill would carry close to $33.8 billion of new military spending authority for the year ending next June 30—a cut of almost $2.4 billion below the budget request for over $36.1 billion. The House originally voted $33.6 billion and the Senate increased this to $34.5 billion.

However, the cuts would have relatively little impact on actual spending this year. About half the total reduction is of the "bookkeeping" variety with the military being denied new appropriations but being given permission to use instead funds already on hand in reserve accounts. Most of the rest of the reduction would be in procurement funds, possibly affecting spending in later years but not in the current fiscal period.

On another money matter, the House headed in the opposite direction from economy. Ignoring warnings of a Presidential veto, the lawmakers beat down three Republican efforts to cut back a measure calling for an increase of some $320 million annually in salaries of postal workers. Passage of the measure is assured when the House takes a final, roll-call vote on it today.

President Eisenhower, Treasury Secretary Humphrey and Postmaster General Summerfield have cautioned that a postal pay increase might lead to Government-wide pay boosts, threaten to unbalance the budget, stimulate inflation and stave off tax reductions.

Passage of the postal pay raise is expected to add steam to a drive for pay boosts of all Government workers. The Post Office Committee has already approved a bill granting increases that would cost about $550 million.

When the House originally cut the Defense Department bill by $2.6 billion, the President and the Defense Department attacked the action. Defense leaders asked the Senate to restore about half the cut, agreeing to absorb the "bookkeeping" half. In response to this request, the Senate voted to cancel close to $1 billion of the House reduction, but the conferees yesterday went back close to the original House total.

Cuts by Pentagon Cited

Several Senators of both parties and some House Republicans have been complaining privately that the Administration recently cut the ground out from under the Senate conferees fighting for the higher Senate figures. First, the Administration issued an order that spending this year be held as far as possible to last year's level. Then the Pentagon announced plans for a 100,000 man-power reduction.

Both these developments were cited repeatedly by House Democratic conferees as additional reasons the conference should accept the low House figures.

The conference agreement brings to nearly $3.9 billion the amount that Congress has cut from 1958 fiscal year appropriation requests for $55.3 billion in a dozen regular appropriation bills. This does not take into accounts cuts still to be made on foreign aid, public works and other bills not yet through conference.

As agreed to by the conferees, the bill would give the Air Force $15.9 billion of new spending authority, the Navy $9.9 billion, and the Army $7.3 billion. The rest of the total goes for various inter-service programs.

Actually, Senate conferees won in efforts to add $284 million to the original House-passed bill. The House agreed, however, to accept changes where the Senate had cut $87 million below the House figure, making the net increase in the final bill $197 million.

Air Force's Budget

The Air Force, under the final bill, would get $5.9 billion for new plane procurement, $40 million over the House bill but $314 million below the budget request. The Senate had tried to increase the House bill $280 million. The Air Force would get $1.2 billion for missile and other procurement, $25 million over the House figure, $75 million less than the Senate figure, and $54 million less than the budget request.

The Navy would get $1.8 billion of new spending authority for aircraft and related procurement, $95 million below the budget request but $25 million above the original House figure. It would get $1.6 billion for shipbuilding and ship conversion, $70 million below the budget request, but $50 million above the House figure.

The full budget request for research and development funds for all three services as approved by the conferees. The House had originally cut these a total of $30 million, out of a total budget request of close to $1.6 billion.

In another budget development, Republicans on the House Appropriations Committee took to President Eisenhower himself their case against the so-called accrued expenditure budget method. This procedure generally would have Congress appropriate each year only as much as is actually going to be spent that year on various programs instead of appropriating for several years at a time. A bill to switch the budget to this basis has been passed by the Senate, approved by the House Government Operations Committee and cleared by the House Rules Committee for floor action.

The legislation is designed to carry out a recommendation of the Hoover Commission and has been backed by the Budget Bureau for the Administration. It has been opposed by key Democrats on the House Appropriations Committee.

Yesterday, the key Republicans on that committee made it clear they will stand with the Democrats against the bill. Rep. Taber of New York, top Republican on the committee, and Rep. Ford (R., Mich.) had an hour's conversation at the White House with the President and Budget Bureau Director Brundage. Mr. Taber said the Congressmen had explained why they and many of their colleagues oppose the bill.

"I think we presented some arguments that the President and possibly Mr. Brundage had never heard before," Mr. Taber said.

Pancoastal Petroleum Plan to Boost Stock Faces Strong Opposition

Lehman Brothers, a Large Holder, Claims Insufficient Data Has Been Given for Weighing Move

By a WALL STREET JOURNAL *Staff Reporter*

NEW YORK — Pancoastal Petroleum Co.'s proposal to increase its common stock by two million shares has run into strong stockholder opposition. Pancoastal has outstanding 3,618,881 shares.

The proposal is scheduled to go before stockholders today at the annual meeting of the company in Caracas, Venezuela.

Lehman Brothers, New York investment banking firm, has notified the management it will vote against the proposal to increase the shares because, among other things, it said the company has not given information necessary to make a reasonable judgment on the proposition. Lehman Bros. also wants to know more about the relations of the company with an advisory organization that renders services to Pancoastal.

Lehman Brothers are holders of record of 184,000 shares of Pancoastal and are said to represent large holdings of additional shares.

The Lehman position was made clear in a letter to Pancoastal dated July 19 and sent to the company's president at Caracas.

The Lehman letter followed one sent to stockholders of Pancoastal by John S. Bailey, president, on July 18.

Mr. Bailey's letter said there has been a significant development in connection with the proposal to increase the capital stock from four million to six million shares. "This concern's opposition to the proposal by a well-known New York banking firm, Lehman Brothers. We also have knowledge that they have been urging their clients and others to vote against its approval."

Mr. Bailey's letter said Pancoastal invited Lehman Brothers to make a statement of their position and views and offered to send it together with a simultaneous statement of its own to all stockholders. This invitation, Mr. Bailey said, the Lehman firm declined.

On the question of the new shares, Mr. Bailey's letter said: "Management feels it is important to have the additional shares available for such purposes as financing, property acquisition and stock dividends. It is not its intention to use the new authorization for stock option or bonus purposes."

Timken Roller Raises Salaries

CANTON, Ohio—Salaried employes of Timken Roller Bearing Co. will receive a pay increase amounting to 4% effective August 25, the company announced. The increase affects 3,517 employes in the U.S. and Canada.

Plan for Import Excise Taxes on Lead, Zinc Draws Fire at Hearing

Senators Told Industry Needs More Help Than Administration Program Would Provide

By a WALL STREET JOURNAL *Staff Reporter*

WASHINGTON—The Senate Finance Committee launched hearings on a new Administration scheme to prop domestic lead and zinc prices amid pressure for lawmakers and producers to go even further than the bill proposes. The committee is considering a measure that would set up a sliding scale of excise taxes on imports of the two metals.

These taxes would go into effect for lead when prices fell below 17 cents a pound and range from one cent a pound to as high as three cents when prices fall below 15 cents.

A similar type of scale for zinc would go into effect under the measure when prices fell below 14½ cents a pound. Taxes would range between half a cent a pound to two cents, the latter when prices fell below 12½ cents. Lead prices at present are 14 cents a pound, zinc 10 cents a pound.

Called Not Sufficient

These rates, according to Charles E. Schwab, chairman of the Emergency Lead-Zinc Committee and the industry's main spokesman at the hearings, "are not sufficient to give the assistance the domestic mining industry needs currently."

Instead, he proposed a three cents to five cents per pound scale of taxes on imports of lead and zinc. He also recommended the taxes be changed monthly to follow market prices instead of four times a year as the Administration suggests.

"I am confident," Mr. Schwab said, "that the lead and zinc mining industry would like to stand squarely on its own feet with no Government assistance whatever, but this is impossible in the economic circumstances under which lead and zinc mining has to be conducted in the U. S."

Import Problem

The big problem, he said is the flood of lead and zinc imports from overseas that has steadily driven down the domestic prices of these two products and forced domestic producers to cut back their own output.

Albert Pezzati, secretary-treasurer of the International Union of Mine, Mill and Smelter Workers, proposed going even further. He expressed concern that excise taxes even larger than the Administration wants would not cut down of imports of lead and zinc and instead recommended a system of import quotas geared to the estimated total consumption needs of the U. S. economy.

The only witness who appeared in opposition yesterday to the lead-zinc aid measure was R. S. Goodwin, president of the Peruvian-American Association and chairman of Southern Peru Copper Corp. He said the measure would cut Peru's income by $20 million, all of which "would be lost to American manufacturers and suppliers who sell to Peru." Other foes of the sliding-scale tax plan are scheduled to appear before the Finance Committee today, including spokesmen for the American Metal Co., Ltd., and W. R. Grace & Co.

The sliding-scale tax formula for lead and zinc imports was proposed by the Administration as part of its long-range program for the mineral industry. That program will come under scrutiny of the Senate Interior Committee starting July 29, and generally will not be acted upon until next year.

But the slump of lead and zinc prices lately has prompted Western lawmakers to push for quicker action on at least this segment of the Administration's long-range scheme. Chances of some sort of emergency legislation to cut down lead and zinc imports are now considered fairly good for this year, at least in the Senate, unless the civil rights debate interferes.

Two More Oil Companies Cut Prices in Texas

DALLAS — Two major oil companies announced tankwagon price reductions in Texas on gasoline, kerosene and diesel fuel.

Sinclair Oil & Gas Co. and Phillips Petroleum Co. each dropped posted prices on these fuels by 0.2-cent a gallon.

Continental Oil Co. late last week announced a like reduction in Texas on gasoline, kerosene and diesel fuel. Texas Co., Shell Oil Co. and Gulf Oil Corp. decreased tankwagon prices 0.2-cent a gallon on gasoline alone.

United Gas Pipe Line Co. Contracts for Gas Purchase

SHREVEPORT, La. — United Gas Pipe Line Co. contracted with Barium Steel Corp. and Phillips Petroleum Co. to purchase natural gas from the Bayou-Piquant field in Terrabonne Parish near the Louisiana coast.

United Gas said the contract calls for a minimum withdrawal of 42,945,000 cubic feet of gas per contract year for each billion cubic feet of recoverable reserves. Recoverable reserves currently are estimated at 20 billion cubic feet, the company said.

Contract prices, subject to Federal Power Commission approval, start at 20 cents a thousand cubic feet each five years. It will be redetermined at the end of 10 years.

Barium and Phillips are co-owners of oil and gas leases on 5,280 acres in Terrabonne Parish. Initial sales to United Gas will be made from a well discovered and capped in 1952.